Daily Report

East Asia

FBIS-EAS-90-025
Tuesday
6 February 1990

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Japan

NHK Televises Election Debate—Part One

OW0202141790 Tokyo NHK General Television Network in Japanese 0502 GMT 2 Feb 90

[Part One of two-part televised "Open Debate Among Party Heads," sponsored by the Japan National Press Club [JNPC], at the press center in Uchisaiwai-cho, Tokyo; participants are Toshiki Kaifu, president of the ruling Liberal Democratic Party [LDP], Takako Doi, chairwoman of the Japan Socialist Party [JSP], Koshiro Ishida, chairman of Komeito; Tetsuzo Fuwa, Presidium chairman of the Communist Party of Japan [JCP], and Eiichi Nagasue, chairman of the Democratic Socialist Party [DSP]; Kenya Mizukami, chairman of the JNPC Board of Directors, acts as the overall moderator and NHK commentator Kauzo Okamura and freelance journalist Makiko Arima act as moderators for Part One—live]

[Text] [Mizukami] Regarding this debate, on 29 January we received a request for it jointly signed by the heads of the five parties. It said, in effect, that on the eve of general elections, which would decide the fate of national administration in the 1990's, the five political parties that have floor groups in the House of Representatives think that it is very important and significant to clarify to the nation their respective views of the future political tasks and seek its judgment. Hence, it said, they want to hold an open debate among party heads and thus request our cooperation. As that request accords with the mission of the JNPC, which aspires for responsible speech and reportage, we accepted it with pleasure. We were entrusted entirely with the length, operation, format, and all other matters pertaining to the debate.

As we were pressed for time, members of the Planning Committee centering around Chairman Hirano made preparations in various ways. As a result, as you now may know, debate will be held for two hours under two moderators in Part One. In Part Two, debate will be continued for another hour under three moderators taking turns relaying written questions from the audience after putting them in order.

The interested parties and the Secretariat of the JNPC will do their best to run this open debate among party heads on a fair and impartial basis, thus making it fruitful. In this connection, I request the members here in this hall for their cooperation and support.

Leaders of the five parties, I ask you to hold your debate fair and square and state your aspirations and policies, thus clarifying how you plan to lead Japan in the 1990's, a decade in which great changes are anticipated both at home and abroad.

At this time, I will introduce to you the guests and members on the platform. Mr. Toshiki Kaifu of the LDP. [applause] Mrs. Takako Doi, JSP chairwoman. [applause] Mr. Koshiro Ishida, Komeito chairman. [applause] Mr. Tetsuzo Fuwa, JCP chairman. [applause] Mr. Eiichi Nagasue, DSP chairman. [applause]

Next, Mr. Kazuo Okamura, who will be moderating the debate in Part One. [applause] Mr. Okamura is an NHK commentator and a veteran who won a JNPC prize in 1986. Mrs. Makiko Arima, the second moderator. [applause] Mrs. Arima was formerly an ASAHI SHIMBUN reporter. She is a veteran who pioneered the role of women in private broadcasting. Until recently she worked on the planning committee, and she is now a freelance journalist.

I am Mizukami, chairman of the JNPC Board of Directors.

Well, we will now begin Part One of the debate. Mr. Okamura and Mrs. Arima, please go ahead.

[Okamura] I am Okamura. Together with Mrs. Arima, I will serve as your moderator. We will promptly proceed into the debate. You will be given a three-minute time limit for your introductory remarks. Subsequently, you are asked to limit your remarks to two minutes each. When the time is up, a chime will sound. [laughter] Please stop at that time.

First, you are requested to speak on your party's appeal to the nation for the 39th general elections, which will be publicly announced tomorrow. Mr. Kaifu of the LDP, please go ahead.

(Kaifu) I think the election will create a new era and one in which the people will judge how we should carry out domestic administration and foreign policy to meet the challenges of the future. When I was elected LDP president in August of last year, it was said that the LDP faced the biggest crisis since its inception. The Kaifu cabinet started to crawl out of the depths and, on hands and knees, it came to grips with a budget formulation. For the first time in 15 years, my cabinet was able to achieve its first goal toward wholesome finance in this process of budget formulation, which for a long time has been habitually dependent on deficit-covering public bonds. At the same time, I think it came up with a budget that shows thorough consideration for all areas of national life. Owing to your patronage, business expansion has continued for 36 months. I think that on the domestic front, we must continue efforts to build a fair and mentally affluent society. To this end, we will also carry out political reform on the basis of stern self-examination of a series of scandals, and although this is not too pleasant a matter to discuss, we want to continue seeking your favor while exerting endeavors to make the tax reform take root.

The violently changing international community pins high hopes on Japan. Soon after my inauguration I visited Washington as the first order of business and reconfirmed Japanese-U.S. relations with President Bush and reached agreement on common tasks and policy efforts to be undertaken by the two countries. I think that was significant. Early this year, I toured

Europe and reached agreement with the Western leaders on strengthening relations with the Western camp in Europe as strong as those between Japan and the United States. Everyone highly praised the speech I made in Berlin. Particularly symbolic was the collapse of the Berlin Wall. The industrious German people—who share the same history, culture, and traditions—have been divided for 28 years because of that wall. There, I saw people striving to build a bright and prosperous life transcending competition between liberalism and socialism and surpassing Cold War conceptions. I think we must take a bold step to respond to them.

[Okamura] Thank you. Next, Mrs. Doi of the JSP, go ahead please.

[Doi] The election is near at hand; at long last it begins tomorrow. I think that in this election, the question of whether Japanese politics can be made truly democratic is at stake. I want to stand firmly to win back democracy .

As a matter of fact, from the beginning of this choice about four years ago incidents have occurred which have made people distrustful of politics. They have a feeling that they cannot trust politics. That is because politicians continue to lie without compunction, or pretend ignorance in broad daylight. Frankly, for one thing, it is the consumption tax, and the other is the Recruit scandal. These two caused the people to have a deep distrust of politics. Although Mr. Kaifu said just now that it is a little unpleasant to discuss, I am afraid that they lied or cheated at least five times. Mr. Nakasone said that he would not introduce a large-scale indirect tax system. He even asked: Do I look like a liar? But he tried to forcibly introduce a large-scale indirect tax under the name of a sales tax. When Mr. Takeshita was in office, he said he would not introduce a tax system that is like casting a dragnet. But this turned out to be untrue. When Mr. Uno took over, he said he would review it. Now, Mr. Kaifu has taken over, [Doi looks toward Kaifu] and you said you would make a drastic, resolute review. You said, either boldly or resolutely. Anyway, it is true that you used the word drastic. I understand that, of late, an argument about taking a third look has been advanced in the LDP—especially from Mr. Kanemaru and Mr. Abe.

Taking a close look at it, each time the government changes hands, the face changes, but the LDP government remains the same, and that happens all the time. The content is a problem, too, but we think that the problem lies more in the way it does things. In a democracy, procedures and rules are important, are they not? From the viewpoint of a tax system that is credible to the people, we must point out that there has been a breach of a public pledge. It cannot be concealed; it was a gross mistake. Therefore, as far as this consumption tax is concerned, I think we should abolish it and make a fresh start in coming to grips with tax reform under democratic procedures. We intend to grapple with it firmly.

Quite recently, on the eve of the election, the LDP sought Y30 billion in donations from financial circles. [Chime sounds in the background] I think this shows it is incorrigible and unrepentant.

[Okamura interrupts] All right.

[Doi] We want to come to grips firmly with political reform.

[Okamura] Mr. Ishida of Komeito, next please.

[Ishida] The 1990's, I think, will be an era of great changes in the world with the 21st century just around the corner. At the same time, we think that it will be a decade in which we must fight for coexistence and coprosperity on a global scale from a humanistic viewpoint transcending national borders and differences in systems. Therefore, we think that a review is needed now of all political issues, including the Japanese economy and diplomacy. Komeito feels that we must rebuild politics in such a way as to befit the new era.

In the coming election, Komeito will appeal to the nation on the following four questions:

first, the consumption tax;

second, political reform;

third, politics for the people [seikatsusha];

and peace, disarmament, global environmental preservation, and

other new policies for a new era.

These four, we think, are questions which have something to do with the intrinsic qualities of politics in one way or another. Take the consumption tax issue, for example. Of course, it has institutional defects, but what about political responsibility after having stated that a large-scale indirect tax system would not be introduced? Because that concerns the very root of democracy, I think we must examine that issue closely.

It was just brought up, and I think that the predisposition of the LDP, which tries to turn to plutocratic elections by collecting tens of billions of yen from financial circles, is a serious problem. It finds it imperative to win in elections by taking advantage of man's desires, man's weaknesses. What kind of politics is that? In that sense, I think we must examine the essence of political reform.

Turning to the third issue, politics for the people, while Japan is called a country of economic reform, the dream of owning our own home has drifted farther and farther away, and the common people are distressed with expensive rent. This is the actual state of the common people. The situation in which people are driven farther and farther away from the heart of Tokyo, we think, is a major social contradiction in light of our economic development. In this sense, we appeal to the nation for its support by advocating policies related to livelihood—

tax exemption for rent, abolition of inheritance taxes, and other measures related to livelihood, for instance.

On the issue of peace and disarmament in the new era...

[Okamura interrupts] Your time is up.

[Ishida] In view of the expansion of Japan's present defense spending, we must press for changes.

[Okamura] You can talk about it later. Next, Mr. Fuwa of the JCP, please.

[Fuwa] First of all, I would like to say that I am so happy to see this type of party leader debate become a reality, thanks to you of the Japan National Press Club. After all, the people are sovereign. I have always believed it essential in a democratic society that party chiefs meet and hold a responsible debate of this kind in front of the people. I hope it will become a routine event, and I would also like to say that we should have another debate, perhaps, in the final days of the election campaign. To turn to issues related to the upcoming election, there are several things that we would like to point out. During the upper house election last year, there were several issues on which the people gave their judgment, but which have been ignored completely by the LDP. For example, the consumption tax, political fund contributions, particularly from enterprises and other organizations, and the liberalization of rice imports are issues still important today. It is urgent that we resolve them with the people's power, and it will be possible to resolve them if the opposition camp regains a spirit of great unity and cooperates in winning in the lower house election as it did in the election for the upper house last year. I believe we have to make efforts toward a coalition government. After all, if we look back on the past, we can see that those issues were not born out of the present government. They came out of the old framework of the LDP leadership that existed for many decades.

Compared to other capitalist countries of the world, Japan is said to be a very rich country, but it is a country where the pursuit of profits by large enterprises is protected over anything else. The profits of the large enterprises are given the maximum emphasis in social life, peoples' lives, and the government. In other words, everything is sacrificed for the sake of the enteprises.

Although it is now 45 years since the end of the last war, we still have American bases all across this country, with government policies remaining subordinate to the United States in extensive ways. We would like the people to think that Japan can move in the forthcoming 1990's without this LDP system that we have had. In the 1990's, we would like to have a society in which the people will be sovereign and the people will be able to decide. We will continue our efforts to clear up the endless corruption that exists today, like the Recruit scandal and pachinko [pinball], which have come out of the framework of the LDP government that has been maintained for so many years.

[Okamura] Mr. Nagasue of the DSP, next, please.

[Nagasue] The Lower House was dissolved on 24 January. To look back on the past, it was on 24 January, 30 years ago that our DSP was formed. We feel that a DSP era has arrived. We are full of hope, and we want to appeal to the public. This upcoming house election, coming at a time when the world is undergoing turbulent changes, is a historical event in which the people of Japan will decide which way Japan should head. We are asking for the decision of the people.

At the end of 1989, I visited Eastern European countries and met with many politicians. My conclusion at the end of the visit was that communism is dead. In terms of ideology, and in terms of the organization of the communist parties, it has ceased to exist. The economies have been monopolized by the leadership of the communist parties, but that has led to the public's w dering why the people have to suffer from such poor e omies. They no longer want systems under communist rule. These people's voices brought about the freedom and the changes in Eastern European countries. Therefore, we believe these turbulent changes must be grasped. I think the days of confrontation between East and West are about over. Eastern countries are trying to enter the Western world, and that was indicated by the crumbling of the Berlin Wall. The days are finally here when we can have world peace as an assured phenomenon, and when Japan should also make efforts toward that goal.

However, the cries of the people are not limited to Eastern European countries—they are heard in Japan, too. As a result, the opposition parties won in the upper house election last year. I think that the people's voices will be heard in another win for the opposition camp in the lower house election this time.

When the DSP was just formed, Mr. Nishio, the first party chairman, said that a party that cannot take power is like a cat that cannot catch a rat. I think the time for the party to assume power has arrived, and the first thing a new government will have to do is abolish the Consumption Tax and carry out tax reform. The next thing is to reduce commodity prices by 30 percent and give housewives security. Compared with other countries, prices of Japanese commodities are very high. We also have to bring land prices down, so that average workers may be able to buy a house with 40 percent of their annual earnings. We have to create a school system that will ensure schools where parents can send their children without being afraid. We have to create a society where the elderly will not have to worry about pensions or medical care. In other words, we have to create a nation advanced in welfare. That is how we want to appeal to the public. Besides, if we are to bring about a change of power, it cannot be done without the DSP's policies. This also is the point we wish to make to the public.

[Okamura] Thank you very much. We have heard speeches from five leaders of the parties. The points emphasized by the leaders apparently vary. Next round,

we would like the party leaders to talk about several basic issues. You will be given two minutes each. Please stop when you hear the chime.

At the end of 1989, we witnessed the Malta summit, which is said to have ended the Cold War. We also saw the crumbling of communist rule in Eastern European countries. We are at a turning point in the world. At this time, we would like to know, how do you, party leaders, see these developments? How do you feel about the recent changes and how should Japan respond to such changes? I know this is rather vague, but we would like to have your views in two minutes each. Mr. Kaifu.

[Kaifu] Until recently, we had East-West confrontation, the face-off of the forces of the United States and the Soviet Union. But, with the Malta summit, the confrontation reached a turning point. The moves now are going beyond the idea of confrontation toward dialogue instead of confrontation, and cooperation in place of dialogue, and I believe these moves should be quite welcome to all of us. The symbolic result of this is that now the confrontation in Europe between East and West is over. The term, or the name, socialist has been eliminated from the names of nations in some cases. Polish trade union chairman Walesa says he wants Poland to become like Japan, and is asking help from the Japanese Government in various ways. There are now desires to establish the value of democracy, freedom, and market economy, while forming a new world order. I think we should be able to help in creating this new order in the world. In the past, when the armed forces played a very important role, we were not able to cooperate, but now, when cooperation is sought, we can assist in making contributions toward freedom, democracy, and prosperity. Japan will be able to play an active role in the creation of a new order in the world. At the same time, as we look at developments in Europe and the summit in Malta, we expect them to have favorable impacts on Asia and the Pacific. These developments mean peace and stability in the world and the realization of hopes that the people of the 21st century will not have to talk about war. Therefore, Japan should cooperate in such efforts as actively as possible, and perform its role, along with the United States and other Western industrial nations, so that a foundation for stable order in the world is laid.

[Okamura] Thank you. Would you give your view on the world situation and Japan's response with regard to it, Mrs. Doi?

[Doi] Yesterday, I watched President Bush give his State of the Union address. When he said he had talked on the phone with Mr. Gorbachev just before that, I felt that indeed the Cold War had come to an end. Mr. Kaifu recently visited Eastern Europe and gave a speech in Berlin, and he is advertising his speech—referring to the creation of a new world order and so forth. Probably, he is doing it using people's tax money. I think that type of statement should have been made at a full session of the Diet in a keynote speech. I, for my part, wanted to be a questioner on the floor. But, that request was not accepted. This debate came about instead. But, this type of debate is also acceptable. I thank all those concerned for making it possible. Indeed, I would like to see this become a regular event.

The issues dealt with in Malta were, however, those on Europe—detente, disarmament, coexistence, and mutual cooperation in Europe. What about the Asian-Pacific region? Mr. Kaifu's speeches in Europe are said to have been good. I would like to see Japan praised for the thought, attitude, and responses of its prime minister by Asian nations. I would like to see a peace security organization established with related nations participating—the United States, the Soviet Union, China, North and South Korea, and Canada. I would like to see that firmly established in the East Pacific and Asian region.

[Okamura] Chairman Ishida, please.

[Ishida] Yes. First of all, looking at U.S.-Soviet summit talks in Malta, I think that the United States and the Soviet Union are certainly military superpowers. However, it is an era in which Japan is called an economic power. In that sense, Japan should positively take initiatives on issues concerning peace. I think that the present Japanese Government is not playing any leadership role to that end, and I cannot but severely criticize it. In present times when the concept of the Cold War has collapsed, I think that it is necessary to debate the question of how Japan should make efforts for the sake of other nations in the world in the next 10 years. As I mentioned a while ago, I think that the next 10 years should be a decade of peace and disarmament and of mankind's struggle for the preservation of the global environment. On the other hand, although Japan is called a well-fed nation, I think that we should grapple with the issues of poverty and hunger on a global scale during the next decade when we think of other nations suffering from hunger. What I want to pay more attention to is the question of global educational and cultural exchanges. Because I believe that education will play a key role in bringing social prosperity to backward or developing countries in the years ahead, I think that Japan should make positive contributions in that area. There is another thing I want to mention...

[Okamura, interrupting] Mr. Kaifu.

[Kaifu] Yes.

[Okamura] As I have just asked two opposition leaders, the easing of tensions in the Far East falls behind other regions, and this is related to Japan's defense buildup. What do you think?

[Kaifu] As I mentioned a while ago, I hope that changes in Europe will bring a favorable influence to easing tensions in the Asian and Far Eastern region, and I am watching it. To be sure, confrontations have continued between Warsaw Pact and NATO forces in Europe. In Asia, however, civil war is still continuing in Cambodia, and relations between North and South Korea on the Korean peninsula are still unstable. There are issues in

China, and Japan has issues with the Soviet Union. I will make efforts to resolve these issues one by one and to bring peace and stability to the region. Because the flow of shifting East-West confrontation to dialogue should be brought to the Asia and Pacific region, Japan will positively participate in creating the framework of the flow, while making efforts and paying particular attention to it. I have sufficiently explained this to seek the understanding of my counterparts at the Japan-U.S. summit meeting and at meetings of European leaders.

[Okamura] Mr. Fuwa of the JCP, what are your views?

[Fuwa] I want to mention two points. First, I think that Mr. Kaifu in his statement confused the issue of capitalism and socialism with that of freedom and democracy. Freedom and democracy are great achievements that mankind has gained for two centuries, and that is incompatible with the capitalist economic and social system. Japan first introduced capitalism in the Meiji era and it was used under the despotic government for 80 years. To my regret, parties led by Mr. Kaifu's predecessors stood by despotic governments to suppress freedom and democracy. Our party chose freedom and democracy when it was formed 68 years ago and fought for their incorporation into the constitution in the post-war years. We heartily welcome the advent of new free and democratic governments in Eastern Europe. I think that it is irrelevant to argue as if a contest between capitalism and socialism has been decided. Needless to say, we have argued against Stalinism and a Brezhnev-type society that defied freedom and independence for a long time, and we welcome the reappraisal of our moves. Concerning the situation after the Malta Summit, I think that although people are talking about the end of the Cold War, confrontations between military alliances with nuclear weapons—a principal issue of the Cold War—remain unresolved and this is an issue now. I think that it is necessary for forces that intend to end the Cold War and maintain or bring peace to concentrate their efforts on that point. In this connection, Japan and the United States, which have formed the most hard-line military bloc, conducted a large-scale military exercise shortly before the Malta Summit. It is the task of the Japanese people to play a leading role in dismantling the bloc.

[Okamura] Mr. Nagasue of the DSP.

[Nagasue] I mentioned a while ago that white-collar workers in urban areas spend 40 percent of their annual income to buy homes, but it is four times. It is not right to say that a white-collar worker in Tokyo can buy a home for Y140,000 or Y150,000. The DSP believes that white-collar workers in urban areas can buy homes with about four times their annual income.

The world situation has not yet changed, but it is about to change. I met with Mr. Yeltsin of the Soviet Union the other day. At the meeting, he said that the Soviet Union has neglected the security of the Asia-Pacific region and the United States has not changed its position on it. The region must be changed. What I want to emphasize is that Japan must ask the United States and the Soviet Union to negotiate to cut strategic nuclear weapons in the Asia-Pacific region—that is, SLBMs, submarine-launched ballistic missiles—and we should make efforts to that end. Mr. Kaifu talks only about expectations or watching, but Japan must take responsibility and make policies for the sake of world security; it must talk with the United States and the Soviet Union about those policies.

Concerning peace on the Korean peninsula, Japan has an interest. I think the two Koreas, its neighbors including Japan, the United States, China, and the Soviet Union should meet and use the meeting as a lever to secure peace and security in the Asia-Pacific region.

At the same time, Japan is an economic superpower, but it is no good to spend its wealth recklessly under the official development assistance [ODA]. Japan should revamp ODA and external cooperation policies for developing countries and Eastern Europe. At the same time, Japan has responsibilities in the currency and trading systems of the free economic bloc. Japan and the United States account for 40 percent of the world economy with Japan sharing more than 10 percent of it. I think the government should explain to the people its responsibilities and present policies that fulfill those responsibilities to the people.

[Okamura] I think there is another argument you want to make. I think Mr. Fuwa, in the first part of his remarks, referred to choosing between capitalism and socialism. Mrs. Arima, will you now ask questions?

[Arima] I would like to turn to the next subject. I think that relations with any nation in the world are important to Japan. I want to ask about relations with the United States, which is expected to maintain close ties with Japan in the future. Mid-term elections are set for this fall in the United States following general elections in Japan. Meanwhile, it has been observed that the United States will harden its attitude toward Japan. Specifically, there are many pending issues between Japan and the United States, such as the structural talks, Super 301, and rice. How are you going to deal with Japan-U.S. relations in the future? Mrs. Doi, I would like to hear your views.

[Doi] I think that Japan-U.S. relations are very important but difficult. I will make efforts to resolve difficult issues. I hope to visit the United States after the general election. I think it is no exaggeration to say that Japan's foreign affairs have thus far been determined by Japan-U.S. relations. Therefore, it has been said in the international community that if one looks at the U.S. side, he can know an important part of Japan's foreign affairs, or if one queries the U.S. side, he can know the Japanese way of thinking. As for future relations with the United States, I think I will value relations with the United States in the context that the world is not in Japan-U.S. relations but that they are in the world. I think the military area has always been an issue, and in the course

of discussing various topics between the two countries, it has become a factor creating stiffened circumstances in Japan-U.S. relations. Concerning economic issues, I think I will have to create conditions in which both sides can tackle problems under common international rules. I think Japan-U.S. cooperation has great significance in making the international economic order firm and stable.

[Okamura] Mr. Ishida, once the election is over, the issues in Japan-U.S. relations will become clear as in a chess game. What do you think Japan needs to do specifically in dealing with the issues looming before us?

[Ishida] Of the Japan-U.S. relations issues, as far as the dollar is concerned—the international currency throughout the world—Japan must do all it can to defend it. As for Japan-U.S. trade friction issues, there is the problem of so-called structural impediments; for instance, firms in the United States cannot manufacture finished products unless they use materials imported from Japan. Another thing is that the United States must reduce its financial deficit; it must make efforts to do so. In this sense, I warmly welcome the move to reduce defense costs.

As to what Japan should do on its part, I think the U.S. argument that Japan should direct more of its rich economic wealth to Japan itself is very much to the point. The other day I visited Okayama. The people there told me that the sewage system is only six percent of what the city needs. From such an example, we can see that Japan must direct more of its economic wealth to improving the people's living conditions. If Japan can be sure of its position on this, it can face the structural talks squarely. As for land, in particular, the present conditions are such that even if foreign enterprises wanted to come into Japan, they cannot buy land because land prices are so high. To make land available should be the responsibility of the Japanese Government. Only after steps are taken to remedy these conditions, I think there will be a better balance between exports and imports.

[Okamura] Mr. Kaifu of the LDP, the structural negotiations are undoubtedly difficult, and there is not much time left, right? Can you explain the situation in simple terms?

[Kaifu] The Japan-U.S. relationship forms the axis of Japan's diplomacy. This is the basic position I stated before. This Japan-U.S. relationship is an overall relationship, and it includes security relations. In the security treaty, there are clearly written provisions on Japan-U.S. economic cooperation. As far as international trade between the the two countries is concerned, the trade volume of the two comes close to one-third of total world trade. That being the case, it is only natural that the two nations should coordinate their policies, make coordinated efforts, and bear responsibility for their actions.

In an effort to resolve problems through dialogue, consultations are currently under way between Japan and the United States on the economic structural issue. They center on seven items involving the U.S. side and six items involving Japan. We are trying to settle the issues by March, and we are meeting each other halfway and making as many efforts as possible. We are exerting efforts to find ways of understanding each other, making improvements, and building a cooperative system, instead of only emphasizing differences. I have specifically instructed the Finance, Foreign Affairs, and International Trade and Industry Ministries to further promote resolution of those problems.

The basic land bill presented to the Diet last year, the task force on price differences between domestic and foreign markets—which I head—and various other measures have been undertaken as independent policy goals to enrich the life of the Japanese people. They are also included among the items listed for further discussion at the Japan-U.S. structural consultations. As there is little time, we want to resolve these issues in a convincing way to both sides through mutual efforts. That, I think, is directly linked to improving the quality of life for the Japanese people as well.

[Okamura] Mr. Fuwa of the JCP, go ahead please, focusing on Japan-U.S. friction.

[Fuwa] Earlier I spoke of phenomena in Japan-U.S. relations based on the security treaty, citing them as issues that should be examined in the framework of LDP administration. In that regard, I recently read two articles that were very impressive. One was by William A. Niskanen, who was an economic adviser to President Reagan, and it was published in newspapers in August last year. He said: In fact, the successive LDP cabinets have been submissive to U.S. pressure to an abnormal degree even long after the end of U.S. occupation. Still, in most cases, the measures taken under U.S. pressure have not served the overall interests of either Japan or the United States. That is what a person in the Reagan administration said. Does that not indicate the relationship is a little abnormal? Regarding the Japan-U.S. consultations under way now, he said negotiations under the pressure of sanctions should be rejected. That, I think, is a statement that merits close examination.

The other is... [changes thought] I learned this only recently; in its 25 February issue exactly 10 years ago, TIME magazine carried an interview with Mr. Ohira. It said that he was asked by the United States to increase military spending from 0.1 percent to 0.9 percent of GNP. If the increase were carried out, the result would have been increasing dependence on public bonds, cutting back expenditures for the people's welfare, and increasing taxes. Therefore, he said it was impossible to carry out. Actually, however, 10 years since that time, reductions in expenditure for the people's welfare have continued under U.S. pressure for increased military spending. And now, the tax increase has emerged as an issue in the form of a consumption tax. Still, as seen in a recent congressional resolution, the United States calls on Japan to treble it as well as ODA over three years. It calls on Japan to even report to the United States the

results of negotiations. It is now time to mend this sort of situation from its very root.

[Okamura] All right.

[Fuwa] Mere cleverness will be of no avail. That is what I feel.

[Okamura] I see. Mr. Nagasue of the DSP.

[Nagasue] I believe the biggest issue in Japan-U.S. relations is to make clear that the two countries are partners in a true sense. Japan lost the war and concluded the security treaty. Under the treaty, Japan entrusts its defense to the United States. That is kept in mind by both sides. Therefore, Japan cannot speak out without apologies, even in economic matters. I think the Japan-U.S. Security Treaty should be firmly maintained. However, because the world situation has changed, we must change our posture and formulate our security policy through consultations with the United States. The United States is carrying out arms reduction and rapidly reducing its military spending, but Japan continues to share the burden and increase its defense spending. That certainly is ridiculous. It must be put in good order.

Economic relations are made a small issue, are they not? The Japan-U.S. structural talks are being held between the Ministry of International Trade and Industry and the trade representative on the other side. This is not the way it should be. Economic relations between Japan and the United States are broader. While things go on like this on one side, on the other side they purchase land and buy buildings in the United States. [laughter] Therefore, Americans do not trust Japanese. They are even bringing up arguments about Japan exporting its culture. I believe that we must contact the United States on a larger scale. In this sense, I think—although the Japan-U.S. Economic Ministerial Council is now defunct—a permanent joint committee should be established between Japan and the United States, and other such mechanisms should be created to show that we are really friends and partners. I have many friends among U.S. congressmen, and I want to win in this election by all means, and after establishing our own administration, I would like to hold talks with Washington. The key point is that we think we are partners, and we must make efforts to let them know that. The key point is not in separate problems. Therein lies the basis of Japan-U.S. relations. Economic and security matters should not be separated. The DSP feels that the prerequisite is that we take the two as being equal.

[Okamura] Mrs. Doi, you said that the JSP sets store by Japan-U.S. relations.

[Doi] Yes.

[Okamura] You also said that you would visit Washington after the elections.

[Doi] Yes.

[Okamura] Now, your general principle is well understood, but, moving on to particulars—although I think that mutual concession is in order for these matters—the United States raises the structural consultation, Super 301...

[Doi, interrupting] Yes.

[Okamura] And the rice issue. From the JSP's viewpoint, is there anything your party can approve of?

[Doi] If we do something before being told from that side... (changes thought] Take the Maekawa Report, for instance. Had the content of the Maekawa Report been put into practice, undoubtedly the situation would have been quite different, I think. But it has not been put into practice. As a result, the other side had high hopes but, because that has not been translated into practice, it feels dissatisfied and becomes suspicious. I think that is the situation that has been created. Once we say we will do something, we must carry it out steadily and faithfully. Otherwise, it will be an embarrassment. I am talking about the Japanese side. Therefore, even if we expand domestic demand, increase the social overhead capital, maintain the distributive mechanism in good repair, and redress the bureaucratic approval and licensing system, the gap between those who own land and those who do not is widening. Under such circumstances, it is useless merely to expand domestic demand.

At the structural talks with the United States, Japan should take the position of doing what it should do at home. If the government makes it a habit to do such things neatly, then I think businesses will follow suit and value the so-called business ethics.

[Okamura] Mrs. Doi, I am afraid I might be censuring you for your remarks, but the Maekawa Report includes items that call for opening the markets for agricultural products and increasing direct investments overseas. Do you approve of that?

[Doi] With regard to agricultural products I am not saying that I agree with the Maekawa Report in its entirety.

[Okamura] I see.

[Doi] I am saying that we should, at least, carry out the commitments we made under it.

[Okamura] All right. I see.

[Doi] I am saying that it is important.

[Okamura] Yes, Mr. Fuwa. I see you are raising your hand.

[Fuwa] The Maekawa Report has been brought up here. In my opinion, in Japanese-U.S. relations it is totally inappropriate for the United States to tell Japan to conform to American business practices, or their traditions. Regarding the Maekawa Report, the biggest cause for Japan's trade surplus with the United States is, I

think, the export of products of big business in massive quantities. At the root of the problem are low wages for Japanese workers and overly intensive work, which have become the subjects of international criticism, as well as the subcontracting involving small- and medium-size businesses, which is beyond imagination to the outside world. These problems should be duly resolved before they become subjects of international criticism. However, the so-called Maekawa Report does not touch on such matters and, so to speak, calls for making up for the trade imbalance, which is created by the export of low-cost big business products to the United States, with agricultural products and other weak sectors. Logically, that is totally wrong. According to one calculation, supposing that rice, for instance, is switched over to total imports from the United States. In that case, Japanese agriculture would be annihilated. According to the calculation, it would reduce Japan's trade surplus with the United States by no more than seven percent.

That reportedly accounts for no more than a quarter of the exports to the United States by one corporation—Toyota. Therefore, the steps being taken at the current talks, including the Maekawa Report—that is, leaving exports to the United States of low-cost products of large businesses as they are while making the agricultural and other sectors sacrifice—will only result in demolishing agriculture and disrupting Japanese national life. Actually, they are totally useless in eliminating trade frictions. It will go on like that forever. Therefore, I think that, instead of the direction sought by the Maekawa Report, we must find another direction to realize a more drastic solution to the problem. That, I believe, will accord with the interests of Japanese workers as well as the goal of resolving the trade imbalance issue. [The chime sounds]

[Okamura] All right, sir. Mr. Kaifu of the LDP.

[Kaifu] Yes.

[Okamura] It was just said that Japan is at the mercy of the United States The rice issue is a matter of concern to the farmers...

[Kaifu, interrupting] Yes.

[Okamura] What do you think of complete self-sufficiency for rice and other issues?

[Kaifu] Japan is by no means at the mercy of the United States.

[Okamura] Yes.

[Kaifu] We are proposing speaking to each other on matters that ought to be discussed. At the summit meeting last summer, I asked that they give up controlled trade. I proposed talking it over and exerting efforts because talks will be unacceptable if they bring up that stipulation called Super 301, which denotes unilateral sanctions. I kept saying that it is important to find solutions through dialogue. I said what ought to be said and they now understand it, too. At the Japan-U.S. economic structural consultations, the other side is also making efforts in various areas in accordance with what the Japanese side points out. In connection with the issue of price differences between domestic and foreign markets, joint surveys were conducted to see what results have been produced. The price of imported beef, for example, has dropped as compared with the price 10 years ago. Lately, prices of some food items have dropped remarkably. We report to each other on such actual results and both sides will continue making similar efforts.

At the same time, since the Maekawa Report was mentioned earlier, as a result of efforts to stimulate domestic demand, Japan's latest economic growth rate has been continually sustained by domestic demand. A situation has emerged in which the growth of domestic demand is rather slowed by external demand. Imports should be further promoted. Japan should become a greater importer. Loans for imports are on the increase, too.

To cite an example, U.S. imports from Japan last year reportedly amounted to $10 billion in terms of the rate of increase alone. Although exports from Japan have slowed down, the result was that a reduction of $10 billion was not carried into practice. However, Japan's efforts have been recognized. Therefore, we will continue efforts along the same lines and further deepen our mutual understanding. I think it is important to keep the basic relationship between Japan and the United States in good order, instead of only pointing out differences to each other. I think that this is an important item that contributes to world peace and stability in the days ahead. I also want to meet President Bush...

[Okamura, interrupting] All right.

[Kaifu] to talk about these things.

[Arima] Although I think you have more to discuss, we will now move on to the next subject—the consumption tax. Although all parties referred to this issue in the beginning, it is, needless to say, one of the biggest focal issues in the coming election. There are calls for its abolition, its review and, lately, even its second review. Hence, it is not clear specifically what it will be like. So, I ask that you tell us what you want to do with the consumption tax. Mr Kaifu, would you go ahead first, please?

[Kaifu] As for the consumption tax, it was envisioned as part of the overall tax reform aimed at ensuring a balance with respect to income, consumption, and assets. The tax is also aimed at having all the people equitably bear the burden of the cost to society. However, there have been various unexpected developments regarding the tax, and the LDP intends to make adjustments, taking into consideration public opinion. The people say that we should not tax events crucial to human life, like childbirth or death. They also say that we should not tax school tuitions, and we should not tax rent or daily food items. We will take into consideration all those public opinions in making various adjustments and will be creating various categories of nontaxables

including foodstuffs at the retail level. The government and the ruling party will review all these things and decide on a revision plan to be presented to the next Diet session. In doing so, we would like to have the understanding of all on the consumption tax. We feel that bearing the burden of a tax is something we must ask of the people. Without it we will not be able to support society—for our children and for our grandchildren. We will initiate and institute the necessary reform to ensure fairness in the tax.

What I would like to note at this point is that now it is only the consumption tax being debated, and tax cuts and other issues are not given much attention. Even on the consumption tax, the debate is only on whether to abolish it or revise it. In the bill to abolish the consumption tax, submitted by four opposition parties and passed by the House of Councillors last year, there were nine proposals in the bill stating that equitable taxation should be levied on income, assets, and consumption, that all services including distribution should be taxed, and that a bill toward that end would be prepared. I would like you to know that if the consumption tax is abolished, a new tax will be created. I would like you to compare all these points.

[Okamura] Shall I direct this question to Mr. Ishida of the Komei Party? Mr. Kaifu at the end said that the alternate proposals from the opposition parties contained points substantially the same as those in the consumption tax. What is your comment on that?

[Ishida] Well, to discuss the consumption tax, first of all, Mr. Kaifu mentioned a tax reform. In tax reform, we feel it is the supreme national task that we resolve the unfair and unequitable tax system in Japan. Our stand on reform is that a direct tax should be made the pillar of the system, while indirect tax is given a supporting role. We are not denying an indirect tax altogether. However, when we look at the existing situation, the imbalance between incomes of workers and incomes of people with property is so great. If the consumption tax is instituted while leaving such problems unsolved, such unfairness will continue to be aggravated. I think that is the first thing we have to tackle in tax reform. Now as to how to resolve the inequitable tax system, some academics say that 7.8 trillion yen could become available by correcting the unfair tax system. At least, there is no doubt that a substantial amount of money will become available. In addition, there would be a natural increase of revenues amounting to more than 5 trillion yen a year. It is for that reason that our party is saying that tax reform should be carried out over the course of the next two years. Furthermore, concerning lower income bracket people, there is this problem of income gap widening instead of narrowing. There is the problem of about 480 billion yen, which should have been borne by consumers, not turned into the national treasury. Aside from the question of accuracy of this figure of 480 billion yen, because there is no question about the source of such funds existing, if we used them, we should be able to implement minimum tax cuts for housing rent and other areas. The current tax system is full of contradictions. Problems will arise if we have to live with the system. In addition, as I said before, the LDP people said very clearly that they would not introduce a large-scale indirect tax. How are you, the LDP people, going to take political responsibility for that? I would like to ask Mr. Kaifu that question.

[Okamura] I would like to have Mr. Kaifu reply to that question later on. Now Mr. Nagasue, in the upper house election last year, the opposition parties won. You opposition people claimed that the people said no to the consumption tax. Now some people in the LDP are insisting that if the LDP maintains a majority in the lower house election, that will mean that the public is approving of the consumption tax. What is your comment on that and also on the LDP plan for another revision of the consumption tax?

[Nagasue] The LDP has no confidence in the consumption tax. Mr. Kaifu talked about a revision review plan. The man said to be influential in the LDP talks about a revision of a revision. Yet I have no idea what he means. He speaks about revision, but is not saying what the revision should be. What is clear is that the consumption tax that exists today is no good. But, after all, this general election will decide whether to accept the existing consumption tax or not. My position is that the tax should be abolished. And if they ask me what we will do after abolishing the tax, my answer is that I propose we study and adopt appropriate measures over the course of the next two years. There are two points we must accomplish in doing so. One is that we have an aging society, and so the tax money should be used for welfare for the aged. There is no government blueprint on that yet—how much should come from tax and how much from savings. Nor is there any plan for employment of the elderly. The plan needs to be drawn up. The other point is that the existing inequitable tax system must be corrected. The gap in income between the haves and the have-nots is widening, but the government, while doing nothing about the problem, wants to institute a consumption tax. That is not right. We have to solve all the problems in the next two years. Income, consumption, and assets—the three must be balanced. Because of the imbalance among the three, people are saying no to the consumption tax. So I think we should ask the public for its judgment on abolishing the consumption tax. I say that the consumption tax should be abolished, and we should come up with alternatives in the next two years.

The DSP, in considering a new tax system, is not thinking about doing away with indirect tax. Our stand, however, is that when indirect tax is introduced, it must be done with welfare in mind and in such a way that inequitable tax burdens are eliminated. That is the stand of the DSP.

[Okamura] Mr. Nagasue. I am sorry that I have to get back to the first question that if the LDP maintains a majority in the upcoming election, will it mean that the tax has been accepted by the public. Do you think that

such a view is acceptable? In other words, can the logic of the outcome of the upper house election apply to the outcome of the lower house election—can the election outcome be interpreted as the public's acceptance of the consumption tax?

[Nagasue] No. As you know, the question—if the consumption tax is the only reason for holding the general election—is one of the key points for this debate of the five party heads. I think the election is being held to determine the direction Japan should take now when sweeping developments are taking place internationally.

[Okamura] I see.

[Nagasue] The consumption tax is only one of the issues to be dealt with in the election.

[Okamura] I see, I see. Mr. Kaifu, although there are several issues at hand, in their opening remarks all the other parties sternly denounced the violation of a public pledge by the Nakasone cabinet. Will you please dwell on the public pledge issue?

[Kaifu] Yes. We said we would not introduce a large-scale indirect tax. Was that not ridiculous? Frankly, since there was something ridiculous about it, when the debate was on in the Diet, the speaker of the House of Representatives came up with a mediation plan and arbitrated differences between the government and opposition parties. Cautioned by the speaker, the LDP discarded it and bowed its head. As I think that the speaker's mediation, the speaker's authority in the Diet, is very high, we will work out the tax reform once again. In return, we will cut income taxes, carrying out drastic tax cuts for those who now feel the tax burden is too heavy for them, especially the middle-income salaried workers. We will also reduce corporate taxes. So, please understand and approve of this. We humbly made a fresh start, appealing for your support. However, the issue still goes on. Today, all parties take issue with it. In this connection, I once again ask for your cooperation and your understanding of the tax revision.

[Okamura] I see. Mrs. Doi of the JSP.

[Doi] Yes.

[Okamura] Mr. Kaifu just now referred to the mediation by the then lower house speaker Hara on 23 April 1987. It called for a review of the rate between direct and indirect taxes, didn't it? So, he is saying that you, with the exception of the JCP, accepted it and thus cleared it.

[Doi] Let me make it clear.

[Okamura] Yes, go ahead, please.

[Doi] The so-called consumption tax expressly confirms that it is not a large-scale indirect tax. I want to point that out.

[Okamura] Yes.

[Doi] But the consumption tax is a large-scale indirect tax. And I pointed that out at the very beginning—that is, I doubt if they feel sorry even now for the violation of their public pledge. I think I must conclude that they are not sorry at all. In the beginning I said they asked financial circles for Y30 billion in political donations. Thanks to the consumption tax, the automobile and household electric appliance industries, which were subject to commodity taxes, are doing very well in sales because their prices came down. So, because they are making a good profit, they were reportedly asked to make political donations separately in proportion to their profits. That shows that they do not feel sorry at all for violating their public pledge through the consumption tax. They do not show even an iota of repentance. Instead they are demonstrating that they should can donations because they deserve them. That, I think, is doubly wrong. It is unpardonable. I feel more and more strongly that we must change such politics.

I want to mention one more thing. On 24 January, when the House of Representatives was dissolved, Mr. Kaifu called a cabinet meeting and issued a government statement. The statement, addressed to the nation, enumerated the election issues. I read it over and over again from beginning to end but could not see any mention of the consumption tax. It appears that the LDP is underestimating the people, believing that the consumption tax issue is no longer an issuer of concern to the people. In my opinion, this is a bit too much.

[Okamura, facing Kaifu] I am sorry, but I will be sure to give you a chance to speak about the R30 billion business—later when we take up the political reform issue.

[Kaifu mumbles]

[Okamura] Excuse me, sir?

[Kaifu] This is one against four and I get no more than two minutes. [Laughter. Words indistinct with everyone speaking at once.]

[Okamura] Yes, Mr. Fuwa, go ahead, please.

[Fuwa] Mr. Kaifu brought up the speaker's mediation, but we rejected it on the grounds that the mediation counted on revival of the sales tax under a different name. Aside from that, to say that it was a mediation by the speaker, the highest person in state authority, I think, is like putting the speaker above the people. That will not do. In other words, the so-called large-scale indirect tax—Mr. Ohira's general consumption tax, Mr. Nakasone's sales tax, and Mr. Takeshita's consumption tax—was rejected by the people, with whom sovereignty rests, three times in the past 10 years. It accords with parliamentary democracy to obey that judgment. It is against parliamentary democracy to recognize no other authority than the view expressed in the name of the speaker—which I believe was formulated by the LDP. That is what I want to point out first.

The so-called review of the ratio between direct and indirect taxes is very treacherous. In fact, there are many things Mr. Kaifu and others are hiding from the people and I think that is a problem. They introduced the consumption tax, saying that it was a first step toward a review of the ratio between direct and indirect taxes. At that time, LDP leaders, including a certain responsible party figure, for instance, said that they wanted to raise the ratio to 5:5. The then chairman of the Policy Research Council went so far as to say that he wanted to raise it to 6:4.

To raise the rate of indirect taxes to 5:5 or 6:4 in addition to the current consumption taxes—assuming that the taxes will be neither increased nor reduced, and that the government has no new revenue sources available at all—an additional Y6.5 trillion in indirect tax revenues is needed to raise it to 6:4. To raise it to 5:5, an additional Y11.8 trillion in increased indirect taxes is needed. This is shown in a Finance Ministry calculation, too. That is impossible and, because new revenue sources are needed, if they want to review the ratio between direct and indirect taxes at 5:5 or 6:4... [the chime sounds] between 10 trillion and 20 trillion yen...

[Okamura, interrupting] Yes.

[Fuwa] ... will be needed in new indirect taxes.

[Okamura] I see.

[Fuwa] But they hide that from the people.

[Okamura, interrupting] Mr. Kaifu, the 5:5 ratio between direct and indirect taxes was mentioned and, if you have something to add to the speaker's mediation, please go ahead.

[Kaifu] Yes. Had the speaker's mediation not been obeyed in parliament, parliamentary government would not have worked. I think that is part of the speaker's authority. At the same time, complaints were made about the absence of the prime minister's policy speech to the Diet and keynote speeches by party representatives. There is another important point. We requested that the Diet deliberate, by the end of March, on the supplementary budget, which incorporates a variety of carefully thought-out measures, for national life, for rehabilitation of disaster-stricken areas, and for local autonomous governments. However, it is a fact that an accord was not reached between the government and the opposition in the Diet Steering Committee. I must point that out. If there was a party that refused to listen to that policy speech, and because no progress was expected from a dialogue with it, we did not resort to high-handedness.

Now, money was mentioned a while ago. Do you think that the LDP collected Y30 billion from business circles? That is impossible. I did read about it in the press, but that is only a report. The LDP did not collect that kind of money and, because we did not collect money, frankly we had to borrow money to face this election. The number of Diet members is different in the absolute number. Although the JSP speaks of various things, according to press reports, it raised funds in various ways from trade unions and banks. Taking a look at political funds announced and reported by parties in 1987, the LDP collected and spent Y14.99 billion in 1987 and the JSP also collected and spent Y6.75 billion, according to the report. Now, the LDP has 445 Diet members, while the JSP has 126. In terms of the per capita amount of money spent, the JSP, therefore, spent more money. [laughter] Therefore, although I do not want to talk about the amount of money, when we are actually engaging in election campaigns... [the chime sounds] we need money. I hope you understand that. [laughter] We collect money cleanly and spend it cleanly.

[Okamura] all right.

[Kaifu] You must approve of it.

[Okamura] Let me see. Probably you will discuss that matter later when we take up the political reform issue. Mr. Ishida of Komeito: I thought a direction would be forthcoming as the heads of the five major parties are sitting together. However, listening to you leaders, the confusion gets deeper. [laughter] It is believed that, regardless of the outcome of this election, the three opposition parties, including your party and the JSP and the DSP, will introduce a bill calling for the abolition of the consumption tax. Now, in the future when our society has become an aging society, do you still think that there will be no need to introduce some sort of indirect tax that will add to the people's burden?

[Ishida] First, I want to draw your attention to the fact that our current fiscal system is on an annual basis.

[Okamura] That is correct.

[Ishida] So, the tax revenues collected last year are all spent this year. In that sense, I doubt very much if the so-called consumption tax, or the fiscal 1990 budget, will be of any help to the future aging society. If money should be needed for such an aging society in the future, there will be no choice but to raise the tax rate. Sweden, for example, started out at 10 percent and is now at 25 percent. When he was inaugurated as prime minister, Mr. Kaifu said that he would not raise taxes during the tenure of his cabinet. However, I think his remarks imply that they may be raised in the next cabinet. Otherwise, he would not have made those remarks. Therefore, we need to take a new look at the desirable form of future fiscal reform, centering on the inequitable tax system. I particularly note the fact that problems concerning real estate are left to chance. In view of the fact that an annual increase in the value of real estate is greater than in the gross national product, I think fiscal reform will be impossible if that is left unchecked. I believe that must be addressed without delay. In that sense, we are not negating the indirect taxes themselves. We are saying that direct taxes should be at the center but indirect taxes

should also be examined. But we are now considering commodity taxes as a measure limited to two years only. That is our position.

[Okamura] Mr. Kaifu.

[Kaifu] Yes.

[Okamura] They have been saying that the inequitable taxes, including taxation on real estate, should be thoroughly redressed.

[Kaifu] Yes.

[Okamura] Aside from the question of whether it can be guaranteed in the next cabinet or not, how far can you go with the three percent tax rate issue?

[Kaifu] Regarding the question of a three percent tax rate, I can be held responsible for something happening in my cabinet.

[Okamura] Yes.

[Kaifu] So, I said I can be held responsible. I said it because I thought it would be beyond my authority to talk about something happening in the future, for which I cannot assume responsibility.

[Okamura] I see.

[Kaifu] Another thing. With regard to real estate. Transactions in stocks, for example have heretofore been nontaxable, in principle. But I went a step farther to say that they should be taxable, in principle. So it changed to taxable, in principle.

Now, turning to the question of the ratio between direct and indirect taxes, an aging society is bound to arrive in the future. If the tax system is left as it is and left to chance, according to our trial projection, by the year 2010 the burden for social security will have grown bigger and bigger. The projection shows that the rate of tax burden borne by the middle-income salaried workers will double, for sure. If we are aware of that, we must start now to make more sincere efforts regarding the ratio between direct and indirect taxes so as not to make it any more inequitable and to make it impartial. So, we ask that the Diet thoroughly debate it. We request that your four opposition parties thoroughly deliberate in the Diet on the eight bills you introduced recently. We request that you take a good look at them. Only after debating what to do with them can their final version emerge.

[Okamura] The consumption tax is one of the questions of greatest concern to the nation. However, we have too many subjects to deal with today. Now, may I address this question to Mr. Nagasue of the DSP? Since the Recruit scandal, public distrust of politics has deepened and law revisions have been made in the Diet and other venues. However, it is not believed to be sufficient.

[Nagasue] Yes, that is correct.

[Okamura] What do you think should be done to reform politics and eliminate public distrust of politics? What do you think about political reform?

[Nagasue] I think the reason the Recruit scandal brought the people's anger to a boiling point is because the people came to question why such funds of a questionable nature are shifted around in large amounts. The forthcoming general election is to be governed by the election law, which has recently been revised. However, the election of the president in the LDP is not controlled by an election law. That being the case, what decides a president or how votes are won are not known to the people. I think most people now are beginning to realize that money being juggled around in the LDP is for political maneuvers of the factions within the party. This is a very important point. A man is elected president of the LDP through manipulation of money, and subsequently he becomes the prime minister. Nobody says anything about money. The Recruit scandal is a good example of how factions become corrupted with money. Now the question boils down to whether a manipulator of money should be accepted as a political leader. That is the point that will be decided by the general election; the judgement on it only will be made by the public. We demand that an election in which money is involved be nullified—as was provided in the 1883 Anti-Corruption Law of England—and the people involved in such deals be deprived of the qualifications to run for public office again. The nature of political parties have two aspects—private and public—and 11 European nations with parliamentary systems are already providing public subsidies to the parties. The adoption of their practice will eliminate political fund contributions from enterprises. I think it is now time that we think seriously about adopting that practice. Therefore, it is the DSP's stand to propose the adoption of that system, and to move in that direction. Individuals' contributions, however, are the expression of democracy. They should continue to be allowed.

[Okamura] I see. Next, Mr Fuwa of the JCP. Discuss the issue of political reform, please.

[Fuwa] What we must do immediately is to have such scandals as the Recruit case thoroughly investigated and brought into the open by the power of government. Then, of course, the parties that had politicians connected to those scandals should take appropriate actions against those people. Hence, it applies not only to the LDP, but also other parties. More basically, however, the problem is the political fund contributions. Contributions from enterprises or organizations must be stopped. I think that is the key to political reform. What strikes me as being most strange is that 20 to 25 years ago even the election system review committee set up by the government said that it is only natural that contributions from enterprises or organizations should be stopped in the near future. The committee insisted that political fund contributions should be limited to those from individuals. In other words, even in Japan, it was considered only natural that enterprise fund contributions

should be eliminated, although there were views that it could not be done immediately at that time. However, the LDP has since changed its position and is now saying that because enterprises are social beings, it is natural that they should make fund contributions. The party is in fact pushing toward expanding that practice. It is a trend that alarms us. Political fund contributions from enterprise organizations must be stopped completely and clearly.

There are those who say contributions from enterprises should be stopped after a political party law has been instituted and after funds have become available from the enforcing the law. That argument is not right. It should be the reverse. As long as they see that political fund contributions from enterprises or organizations are the root of political corruption, they should start by doing away with them. Their argument that they will do so only after money becomes available from the government budget makes no sense. As for a political party law, there once was a draft from the LDP. The draft contained provisions running counter to the constitution, saying that a party aimed at changing the existing political system must be banned. That draft was made public at that time. I know a political party law can be dangerous.

[Okamura] I see. Now, Mr Kaifu. While money is said to be used in the party presidential election, you are one who became party president without using a penny. Right?

[Kaifu] You are right. [laughter from audience]

[Okamura] There is no doubt that the LDP needs money for various reasons. You have heard the requests that all financial contributions, except for Y30 billion, should be stopped and that a political party law should be adopted. What is your comment on them?

[Kaifu] The LDP has redirected its course, having done soul-searching on the said series of irregularity cases. It is as a result of this that I was chosen president of the party—without money or party factions involved. I realize my heavy responsibility for political reform, and toward that goal the party has instituted what we call a political reform structure.

To go into the subject of enterprises' donations, so far Diet members individually have had to raise funds. As each of the Diet members has had to raise funds on his own, there have been various voices of criticism. Now, we are seeking to institute an election system in which parties can become the subjects of contributions and in which individual Diet members do not have to use their energy or time to run around raising money. Meanwhile, it is also clear that enterprises are social beings. They are making contributions to employment of people, and to the workers' stability. They are making contributions to society by paying taxes into the national treasury. I think it a hasty conclusion to deny the existence or the value of the enterprises altogether. I believe we should accept the social position of the enterprises positively and make efforts to have the political funds from them used in cleaner and healthier ways. At the last session of the Diet, the LDP with the cooperation of the opposition parties passed a bill designed to control the outlets of funds in a measure to reform the Public Office Election Law, even though it failed to pass another bill to amend the Political Fund Control Law—aimed at controlling the recipients of the funds. The LDP will continue to endeavour to have such an amendment accepted by the Diet, and will discuss with the opposition how the election—or politics—can be carried out without requiring money for the ruling and opposition parties.

[Okamura] Mr. Kaifu. I repeat this question because I have been requested to do so. What is your view of the Political Party Law and of the question of providing government subsidies to parties as referred to by Mr. Nagasue? Please reply in a concise manner.

[Kaifu] To reply to that question, the United States and a number of nations in Europe have political party laws. Those laws include the concept of providing public subsidies to the parties. I think it natural that because the parties are engaged in public activities, they should receive public subsidies, and that the funds should be provided where needed. I would like to refer to those laws in studying the party reform plans.

[Okamoto] Mrs. Doi, that issue also concerns prohibition of donations by either enterprises or trade unions. Would the JSP approve of such donations?

[Doi] Well, I myself feel that it would be a little strange to regard both enterprises and trade unions as belonging to the same category. As far as enterprises are concerned, their objective naturally is to seek profits, and they would be energetically engaged in activities to gain profits. On the other hand, trade unions are originally organized to promote labor or mass movements to defend workers' rights. In that sense, I feel that we must understand that therein clearly lies the difference. And I hope it will be taken into consideration whether or not there have been any cases of corruption or attempts at bribing that involved fund-raising campaigns sponsorded by trade unions in the past. In the past, donations from enterprises or from business circles have always caused such problems as corruption or attempts at bribery. Am I not right?

In that connection, as I was listening to Mr. Kaifu's remarks just now, I felt that this point had not been clarified yet. For one thing, he has become prime minister in order to carry out a general cleanup of politics. And it is also said that he did not spend even one yen in the party's presidential election. He could have done so perhaps because there must have been great expectations that he might do his job by carrying on the spirit of Mr. Miki. Anyway, I don't think he has made clear his view about that point, judging from his remarks.

It is often said that a clear line must be drawn in settling such issues. In dealing with such issues, there should be at least an attempt to prohibit donations in principle. If

such a position is not taken, there is no way to draw a clear line in settling the issue. The election will be held while a demand is raised for settling the issue. However, it should not be once again turned into an election in which those people who are under suspicion are put forward as candidates, and when elected, they would say they have already performed their ablutions. If this should be allowed to happen again, it would be an irrevocable mistake. At this moment, drastic measures should be taken to deal with various problems in connection with the Political Ethics Law, Public Office Election Law, and the Law on Controlling Political Funds.

[Okamoto] Mr. Ishida, what do you think of the political reform issue?

[Ishida] Well, it is now said that it takes money to run in an election. And reportedly, it is an open secret that approximately Y400 to 500 million is normally spent in each constituency even in the lower house election. In that sense, we must think basically about how to engage in political or election activities without spending money. However, as there are always many people who will engage in illegal activities in secret, I think it will take laws to control their activities.

Well, as far as our party, Komeito, is concerned, we approve only of donations by individuals, but not by enterprises or organizations. In that sense, Komeito adopts the strictest policy on political donations. As for donations by enterprises in particular ... [changes thought] I feel that the right to participate in an election or election campaigning is one of the basic human rights given to the nation and to each individual. In that sense an enterprise does not enjoy the right to vote. Large amounts of funds are donated and funds are spent in election or politicial activities. However, it should never be allowed that even one man's conscience could be affected in such processes. Therefore, enterprises are prohibited from making donations in the United States. And they prohibited such donations a long time ago.

Well, Mr. Kaifu has just mentioned that the LDP has worked out guidelines for a political reform. However, concerning fund-raising parties, for example, I understand that there is no limit to such parties if funds collected at each party amount to less than Y20 million. And for another example, political fund organizations must be registered. However, they are allowed to organize supporters' associations. Thus, there is precisely no limit to exceptions in their reform plans. How can political reform be achieved then?

[Okamura] Mr. Fuwa, there is not much time left. Please give your views on political reforms, including reform in the election system.

[Fuwa] The issue involving funds or donations does not concern merely the political party's financial management. Donations are made only when the people who hold sovereignty exercise their rights. In that connection, donations were prohibited in the United States mainly because if profit-making companies should make use of their economic power and donate funds, it would constitute an infringement on the rights of individuals, who are sovereign.

In that connection, let me give you some examples of remarks made recently by donors. I think they can be made public. Take remarks by Mr. Ishihara of the Japan Committee for Economic Developement, for example. He said: Because the objective of business is to ensure profits for stockholders, it will certainly require repayment when it contributes funds to campaigns. And President Miyazaki of Asahi Chemical Industry Co said: It is certainly a businessman who would make the necessary donation today so as to gain profits later. And President Kamei of Sumitomo Electric Industries, who is also an executive of the Federation of Economic Organizations, says that private industry donation itself has the nature of profits. It cannot be denied; those who make donations have clearly stated their objective.

Then comes the issue of donations made by organizations. That includes trade unions. A trade union at an enterprise may comprise voters who support different political parties. If such a trade union should collect money from all its members and donate the money, through a majority vote, to a particular political party, it certainly is an infringement of the rights of the individual, who is sovereign. And we know many cases in which many union members have been actually expelled from the union or have been penalized merely because they refuse to make donations as they support other political parties. In that connection, when enterprises or organizations start making such donations, they will certainly infringe upon individuals' rights. That basic principle should always be taken into consideration. Well, I don't have enough time to state my views on the election system now, but I am absolutely opposed to private enterprise donations.

[Okamura] Yes. I understand and that is good. Now, as you have just heard, even opposition parties differ in their views about the donations by trade unions. In this connection, Mr. Kaifu—although there is not much time left—it is stated in the LDP's platform that drastic measures will be taken to reform the existing medium-size constituency system. Frankly speaking, does it mean that the small constituency system will be coordinated with the proportional representation system?

[Kaifu] Frankly speaking, we want to carry on deliberations about how a policy-oriented election can be conducted while completing the redistribution of lower house seating. However, such deliberations can be carried out only through consultations between ruling and opposition parties. In that connection, as the issue is now being actively studied by the Election System Research Council and other organs, I sincerely invite oppsition members to attend those sessions and state their views. And when consultations should be carried on smoothly among various parties, the LDP would like to state its views as contained in the reform program.

[Okamura] There is another question to which I would ask you to make a simple response. Regarding the Recruit incident, if those who are involved in the scandal should win in the election, would you say that they have performed their ablutions or that the issue has been settled?

[Kaifu] As far as our party is concerned, the then prime minister resigned, the previous prime minister deprived himself of party membership, and based on the party decision, those party executives who are supposed to be involved in the case have been suspended from their posts. And we have so far accepted crticism by the mass media. And at Diet deliberations, opposition Dietmen have also frequently demanded that the final judgment should be left to the people in the election. The people are sovereign and we would like to wait and see what judgment each individual who holds sovereignty makes. We will accept the result in sincerity.

[Okamura] Yes. The opposition may have its views to state on the issue but we will proceed to the next topic. As a major point of contention in the upcoming election, the LDP has indicated the choice of systems, Liberalism or Socialism, the LDP system or the opposition system. Let me ask Mrs. Doi of JSP about this point first. Do you take choice of systems as a point of contention?

[Doi] In talking about the system, I ask what the system refers to. If it means a system of safeguarding liberty and democracy, such a system has already been ensured in Japan. Our Constitution precisely guarantees liberty and democracy for us. In that connection, I don't think it is correct to say that it cannot be achieved if the LDP does not exist. As for the Constitution, as the LDP party regulations state that it can be revised, I would rather ask that the LDP clarify that point.

[Okamura, interrupting] Yes.

[Doi continues] I cannot clearly understand what the LDP means in talking about systems. However, if it means that the democractic system or democratic concept should be consolidated in Japan, then I feel that the reality is that it will certainly be necessary for the LDP to change its system. I have to state that fact first.

I think that in bringing up the issue of systems recently, the LDP acted like a squid ejecting its ink—maybe that is not a good expression. In so doing, the LDP is attempting to avert public attention from the major points at issue which will be questioned in this important election. You know how the squid ejects ink, and I cannot but feel that it is just as if the squid had ejected ink. [laughter]

[Okamura] I will ask another leader from the opposition. Mr. Nagasue, you just used such terms as the end of communism. What do you think of the issue concerning the choice of systems?

[Nagasue] The people do not see the choice of systems as a major issue in the general election. The LDP has brought it up in an attempt to cover up all the suspicous things that it has done. However, the people will never be deceived.

And concerning the Recruit scandal, it was just mentioned that the opposition parties have said that the final judgment would be left to the election. In fact, that is not true. We demanded the general election because the LDP had attempted to deceive the people at the Diet sessions. I don't think that anyone should remember that the opposition has said that when the election is held, the ablutions will be performed.

And there is another point, when the Diet is dissolved, the arbitration made by the speaker is final ...

[Okamura, interrupting] Mr. Nagasue, just a moment please. Please state your positive views on the subject.

[Nagasue] Yes, concerning the point at issue now, the choice of systems, it is just cheating to bring up this issue, which the people are not taking account of. And it is quite obvious. What we lack in this free system of ours is social welfare. And it is that subject that leads to the consumption tax issue, or the housing, or land problems. Policies concerning such issues should be clarified. And it is just cheating to neglect them and bring up another issue about liberalism or some such things.

[Okamura] Mr. Kaifu, the opposition has just asked: What is the meaning of the choice of systems and why is it that the issue has been brought up now?

[Kaifu] Well, I feel that the choice of systems, either socialism or liberalism, has already been decided at the global level. In greeting the 1990's, the world is moving toward the values of liberty and democracy. In other words, our efforts to establish a new order include extending our helping hand as much as we possibly can to the Eastern European people, who have been suffering under the socialist system. I feel that a conclusion has been reached in selecting liberalism as the correct system.

However, the point at issue now is which party and which concept Japan will ask to assume administration in greeting the new era. As far as the JSP is concerned, I would like to say this: It has been clearly stated that the socialist revolution should be carried out. It was once mentioned that this idea would be frozen. Well, something frozen can easily be defrosted when it is taken out of the freezer. [laughter]

In that connection, the JSP mentions the idea of carrying out a socialist revolution. There have been discussions about what has actually happened to nonaligned and demilitarized neutrality, but the ideas have been stated as personal views of the party top leader while the party has not made a formal decision nor any announcement on the issue so far. Therefore, it has become a matter of great importance to me whether the people will leave the

administration in the hands of the LDP, or in the hands of the opposition coalition with the JSP playing the major role.

If it is clearly written that the concept of a socialist society will not be abandoned even now, or that the coalition administration will be organized merely for the purpose of promoting socialism, it will be a matter of great concern to us. Come to think of it, has the so-called socialist planned economy brought about bright prospects, affluence, or happiness to mankind? It has already been proved worldwide that socialist revolution has failed to achieve those objectives. Is it not running against the global and historical trend of history to continue to talk about the socialist revolution? That is what I want to state clearly.

[Okamura] The second part of what has just been mentioned will be discussed further when we come to the issue of the opposition's ideas about forming a coalition.

Mr. Fuwa, it was stated in the first part that the conclusion has already been reached about whether liberalism or socialism should be chosen. Is that statement acceptable or unacceptable to you?

[Fuwa] I pointed that out earlier. The question of choosing between capitalism and socialism is being confused with that between freedom and democracy. As I said earlier, before you people chose the values of freedom and democracy in Japan, the values of democracy in which the people are the sovereign, our JCP chose them while you people were against them. That was the beginning of the socialist movement. In that respect, I think that such confusion should not be a problem at all. From a global viewpoint, we think that achieving socialism in Japan is not an immediate task now. As I said earlier, democracy under capitalism lacks many qualities. Among the capitalist countries of the world, Japan, despite its preeminent status in economic power, faces numerous problems—workers dying from overwork, the bashing of the aged, the inferior position of small and medium businesses, the bleak future of agriculture, and discrimination against women, for instance. That is a situation about which we should be ashamed of before the world. To change this phenomenon is our urgent task now. The choice mentioned by Mr. Kaifu is not.

Regarding our future ideal—I will make it clear—even though it has been 70 years since the birth of the first state espousing socialism, the ideal is yet to be realized. I mean to say that Stalinist and Brezhnev-type socialist society was a betrayal of the ideal of socialism. The ideal of socialism calls for an exploitationless society, a free society where goods are abundant and where human relations are free. It is also a society that respects the independence of nations. To say it in contemporary terms, it is a society free of nuclear weapons. That type of society is our ideal. We want to live in such a society together with the people some day in the future after graduating from capitalism, but that is not our present choice. You bring up the Eastern European situation and you try to sidestep the problems that really torment people in Japan... [the chime sounds] You try to steer clear of the problems of Japanese capitalism under LDP rule....

[Okamura] All right.

[Fuwa] If you want to face the coming election that way, it is tantamount to deceiving the people

[Okamura] Mr. Ishida of Komeito, what do you think of this issue, the choice of systems?

[Ishida] Before answering that, I am very sorry but I think that I made a mistake earlier [Ishida laughs] about the extension rate of the sewage system. I meant to say that the extension rate of the sewage system in Wakayama City is 6 percent. I want to make that correction.

[Okamura] All right.

[Ishida] As to the systems issue, I think that a free society and a free economic system guaranteed under the Constitution have already taken root. On top of that, taking a look at the world situation, I strongly feel that the contest between a free society and a socialist system has been settled already. The issue now is that the LDP administration in that free society has too many problems. The agricultural problem, the land issue, the pension system, and many other issues are in a very uncertain state. In that sense, considering its status as an economic giant, Japan has too many uncertain elements. This, I think, falls under the responsibility of politics. The LDP has been in power singlehandedly for more than 40 years and, despite the fact that Japan has become an economic giant, the Japanese people feel are uneasy about their life. This situation makes me feel that we must reexamine politics in general and establish a new political system. In that sense, positions of the government and opposition must be reversed for one thing, and we must lay the groundwork for a change of government. That is a big, focal issue now, I think.

[Okamura] I see. Now, Mr. Kaifu.

[Kaifu] Yes.

[Okamura] Stalinist socialism in Eastern Europe has certainly been bankrupt and collapsed. Nevertheless, the LDP government is not necessarily good. That is what the opposition contends. Will you please answer that directly?

[Kaifu] Yes. The LDP has done some serious soul searching and is trying to correct what needs to be corrected. Take the consumption tax, for example. We are trying to revise it and help it take root in society in a better way and thus make society fair and spiritually fulfilled. Even in a free society, we try to make constant efforts to further improve our liberalism. But I must point out one thing: The opposition says that societies in Eastern Europe were ruled by one party dictatorships.

So, they crumbled, it says. Therefore, the one-party dictatorship by the LDP is bad, it says. Now, the LDP government is not a one-party dictatorship. [opposition leaders giggle] Please search your memory. Did we not have the Socialist Katayama cabinet? The Socialist Katayama cabinet existed because it won the support of the people in an election. Now in Eastern Europe, people cry for democracy. They call for free elections and recognition of freedom for opposition parties. The Eastern European countries have reached that point at long last. In Japan, free elections and a multiparty system have been in practice all along. Therefore, in talking about the questions of freedom and democracy, you cannot link the Eastern European issue with the LDP's one-party government. The LDP has been able to assume power because it won the people's support in each election and its policy efforts were given public recognition. This was the result of following the rules of democracy. In that regard I thank the voters, the people, for their support. And I must point out that this is totally different from the Eastern European situation.

[Okamura] Mr. Fuwa, this is a criticism of the communist parties of Eastern Europe. We do not have time.... [changing thought] I think it was partially dealt with earlier. I think it was in the portion dealing with blueprints for government. Let me address this question to Mrs. Doi. Earlier, Mr. Kaifu criticized the JSP, saying that its party platform remains unchanged; that is, the achievement of socialist revolution.

[Doi] I think he really did his homework. [laughter] What amounts to a party program in our party's bylaws is the New Declaration. The New Declaration expressly states that we pursue social democracy. It states that we set store by the current Japanese Constitution. That is our basic position. It also states that we respect a multiparty system and parliamentary democracy....

[Kaifu, interrupts] I talked about the New Declaration.

[Doi] I believe what you meant are the bylaws.

[Kaifu] No, it is the New Declaration.

[Doi] Regarding the bylaws, we are trying now to change them.

[Okamura] You will be changing them.

[Doi] Yes.

[Okamura] You will no longer call for revolution?

[Doi] Eh?

[Okamura] To exclude the clause from the bylaws means not to talk about revolution anymore, isn't it?

[Doi] Not necessarily so. Well, yes. Regarding their content, content of the bylaws, we will examine it at our next party convention and take steps to revise the bylaws.

[Okamura] I see. Now, Mr. Nagasue of the DSP. Please answer me directly. Heretofore, the situation has been that the LDP was in power before an election and it was still in power after an election. Now, the reserval of positions between the government and opposition is at stake in this coming election. So, blueprints for government have never been so highlighted as in this election.

[Nagasue] Yes.

[Okamura] At the plenary session of the House of Councillors after the upper house election last year, the DSP did not vote for Mrs. Doi. When the coming election is over and you elect a new prime minister, will the DSP—I am sorry to ask this sort of question in the presence of the person herself [laughter]—will the DSP vote for Mrs. Doi?

[Nagasue] In April last year, we also invited Mrs. Doi to a discussion. At that time, Mr. Yano was chairman of the Komei Party—he is not here today—and the Social Democratic Federation's Mr. Eda was also present. The four of us agreed seriously to think about taking over the government and as there were still policy issues on which we had basic disagreements, we should try to reach an agreement. We agreed that in order to reach an agreement, we should continue discussions. It is a pity that while the general election starts tomorrow, we have not yet reached an agreement. However, if we gain a majority, we can reach a consensus overnight. The direction of the consensus is clear. Outmoded arguments will not do. Japan's present international framework should not be changed. Relations with the United States should basically be conducted in the present manner. Thus, the answer to the question of choice between free economy or whatever, is clear—we want a free economy. Under that general assumption, certainly, we do have the questions being discussed here—land, consumption tax, housing, the problem of the aged, and education. Therefore, I think that if there are not any hitches in the discussion on basic issues, if we come to assume the responsibility of government—if the people, through their votes, tell us to go ahead and do it—we will certainly be able to do so. In the past, we have had some gaps when we were discussing last April. Things of the past came to our mind. We have exerted great efforts to come to terms with the past, and we failed to arrive at consensus. Now, the chips are down. If the outcome of this battle is that the people decide that parliamentary politics means a change of regime and the people want us to assume responsibility, I am sure that we will measure up to the job. I have absolutely no doubt.

[Okamura] Mr. Nagasue, let me ask you. Looking at what has transpired so far, it was not a case of mutual compromise, but that the JSP has made unilateral concessions little by little to the DSP and the Komeito. You are saying that it is still not enough. When you talked about reaching a consensus overnight, you did not mean that you would make any concession, but that the JSP would come to recognize the Security Treaty and the SDF. Am I right?

[Nagasue] In short, to change from the mentality of an opposition party to that of a holder of political power. In that way, things can be changed overnight.

[Okamura] That was a very cautious statement! [laughter] Komeito's Mr. Ishida, you and Secretary General Ichikawa have repeatedly stated that the political scenario after the election would be that of a trilateral framework composed of the LDP, the JSP, and the middle-of-the road parties, Komeito and DSP. Everybody asks why not a straightforward JSP-Komeito-DSP alliance? Let me repeat my question, will you vote for Mrs. Doi?

[Ishida] You mean after the election?

[Okamura] Yes, after the election. At the plenary session of the lower house.

[Ishida] Well, in short, if a reversal of ruling and opposition parties is achieved, the opposition parties' discussion about forming a government will have to be held. I think utmost efforts should be exerted toward that end. However, policies are the life and soul of a political party. Although full discussions should be held and all possible efforts should be made to reach an agreement, in case an agreement could not be reached, I think a trilateral framework would be inevitable.

[Okamura] You mean an opposition coalition will be impossible?

[Ishida] That's right. Although we talk of a trilateral framework, with regard to that problem, I think first, the opposition parties should engage in discussions to form a government. If an agreement cannot be reached, the natural outcome is that a trilateral setup will be inevitable. We in the Komeito, when we formed our party and entered the political world, it was during the 1955 JSP-versus-LDP period. At that time, in that great confrontation, the Komeito emerged to absorb and reflect the views of those people who did not belong to either camp. Essentially, there had been a basis for a trilateral setup. What is also thinkable is that, in the upper house, the LDP is 18 seats short of the majority. The JSP and the Komeito hold those 18 seats. I would like to add that at present, a trilateral setup has already been set in motion. Of course, there should be serious discussions about forming a government... [chime is sounded] It is not a matter as simple as jumping down from the stage at the Kiyomizu Temple.

[Okamura] Mr. Ishida, I have a feeling that today, both you and Mr. Nagasue are somewhat meeker than usual. In the past Mr. Ishida, you yourself have argued that there should be a formal decision saying that Japan is a member of the Western camp, that the Security Treaty and the SDF would be recognized under the coalition government, and that there should be a clear statement saying that the SDF is not unconstitutional. Of course, you would continue to advocate those things, won't you? We have heard various reports.

[Ishida] Yes, of course.

[Okamura] You mean you will continue to do that after the election? Mrs. Doi, may we hear your reply on this point? They want you to change some more.

[Doi] [laughs] When we want to change politics, the important thing is to change the Government of Japan. We must effect a change of regime. We must all agree and keep in mind that this is the way to change Japanese politics. Toward that end, because the LDP now holds an overwhelming majority, if we do not reduce its number of seats and force it into a minority, there can be no change of regime. Therefore, the very basic thing is to cooperate with each other. As there are different policies at the party level—well, we are independent parties—the theme in our efforts to form a coalition is: a national coalition government, and not an opposition coalition government. The reason it is national is because we would like to respond to national issues and to realize the people's expectations of us. We should not emphasize the differences among us; we must focus on the issues on which we can cooperate, go ahead and cooperate with each other, and work hard together. I believe it is possible, because after the upper house election, we were able to draft the consumption tax abolition bill together; we were firmly united from the time the bill was going to be deliberated to the time a vote was taken. This serves as a very good precedent to show us that cooperation is possible. Don't you think so, Mr. Ishida?

[Ishida] Yes, of course. [laughter]

[Doi] I am sure that's what he [Ishida] thinks.

[Okamura] Mr. Nagasue, let me confirm this with you. Regarding Mrs. Doi's statement right now, are you convinced?

[Nagasue] There is a difference between the issue of cooperation among our four parties, excluding the JCP, and the issue of forming a government after attaining electoral victory. What we have to discuss is what to do after winning the election. Of course, we will seek to take over the government. We will work around the clock to reach a firm agreement in order to take over the government. That is what each one of us has in mind.

[Okamura] You mean there should be quick unity.

[Nagasue] That's right.

[Okamura] At present, the JCP has a proposal for a provisional coalition government different from the other three parties. What do you think of the political scenario that has just been projected and your own proposal?

[Fuwa] On this issue, I think we should start from what the people want at present. Listening to the discussion, it seems that the Security Treaty and the SDF have been the main topics. However, even during the upper house election, the people had not passed judgment on supporting Komeito's, DSP's, and the LDP's policy of

promoting the Security Treaty. The fact is, as both the ruling and opposition parties all agree, the issues involved were the so-called three items in a set: consumption tax, money politics, and the issue of rice. Those were the people's central issues. They wanted to abolish the consumption tax, to ban corporate political donations, and to stop the liberalization of rice. It was a rare occasion when the people's wishes were so clearly manifested. Thus, after such an election, it would be a matter of course for any political party with a sense of national responsibility to unite under such issues. Even though there are disagreements on other issues, they should be put aside. In my opinion, the right thing to do is to form a coalition under these issues, unite under these issues to achieve a majority in both the lower and upper house and form a government, and to form a government to start the process of replacing LDP politics. That is one point. Another point is, as Mr. Nagasue mentioned a while ago, the question of excluding the JCP. When did that happen? It was exactly 10 years ago. I am not sure whether someone has celebrated its 10th anniversary, but exactly 10 years ago, there was an agreement between the JSP and the Komeito, and before that, an agreement between the DSP and the Komeito. A decision to exclude the JCP came about. That the decision about such a political bloc existed for 10 years is something very rare in the world. They got caught in a trap of their own making. For instance, in the upper house, although the LDP is in a minority, the opposition bloc cannot attain a majority without including the JCP. In a case where conditions for replacing the LDP regime have been created in accordance with the popular will, it will be truly irresponsible not to be able to do so because of such self-forged fetters. That is why I am saying let us firmly cut ourselves off from what happened in 1980 and overcome our problem. That is what we propose.

[Text] [Okamura] I see. Mr. Kaifu, we have listened to the opposition's discussion of their political scenario. Putting aside the possibility that the LDP suffers a crushing defeat in the coming election, even if the LDP retains a majority, it seems that the LDP will be helpless with the reversal of the ruling and opposition parties in the upper house. Inside the party, there have been talks of partial coalition and political reorganization. Please give us your views, including those on that point.

[Kaifu] I think that for a government, the important thing is not that it should be changed but what will be done after it is changed. If the four parties would like to join hands, then they must reach a firm agreement on the basic national policies. I am gravely concerned that they are talking like students taking an entrance examination, that they would study round the clock after the election. I will not add anything because that will constitute interference in internal affairs. On the other hand, the majority in the upper house is a fact. However, we are not fighting this electoral battle in the belief that we will be defeated. We are campaigning in the firm belief that we will certainly win the support of the people and that the LDP will win the majority. If I am to answer your question prefixed by the expression that in such a case, there will absolutely be no change at all. Like what we did in the case of, for instance, the Basic Land Law, or the Pension Law, we will sincerely seek the opposition's help and cooperation. There have been precedents of passing legislation under the condition of reversal of the number of seats in the lower and upper houses [as heard]. When I said earlier that the issue of the consumption tax is not whether to revise or to abolish, but whether to revise or to present another draft bill, that was in a sense, in respect to the opposition. If we abolish the bill, it will jeopardize the people's livelihood. The opposition has indicated by its re-review bill the need to create a similar tax if we abolish the consumption tax. We should conduct thorough deliberations. As in the case of the Pension Law and the Basic Land Law, if we conduct full discussions, there should be points of compromise. I believe that even if the LDP is in the minority in the upper house, with the cooperation of the opposition parties that value parliamentary politics, at a higher policy level, we will be able to carry on. What do you think, Mrs. Doi? [laughter] Please answer. [Doi laughs]

[Okamura] Mr. Ishida, right now, some powerful LDP Diet members are talking about things like a partial coalition. At present, the LDP has to have the cooperation of either the JSP or the Komeito for it to operate in the upper house. People think that it seems that the LDP is targeting the Komeito. After the election, will there be any partial coalition or alliance with the LDP? I would like to have your answer as a public commitment.

[Ishida] It is the LDP that is talking about a partial coalition. It is not Komeito saying that. Furthermore, as we have been talking seriously about the abolition of the consumption tax, the issue of political reform, the need to transform business sector-oriented politics to politics for the common people, and other things, it is out of the question for us to join hands with the LDP the moment the election is over. It will be fatal for our party. That is impossible. However, as you said in your question, I am not sure in what form, but I think it is a fact that after the election, it will be high time for serious discussions among the political parties about various issues. With regard to the budget, after one year, or a certain period of time, it will indeed be passed automatically. In the case of other legislations related to the budget, the matter would not be that simple. In the first place, the LDP has the primary responsibility. We have been talking about the consumption tax. Even granting that the LDP gains a majority, as a ruling party, it will have to take into consideration the fact that 500 [figure as heard] million people, that is 40 or 50 percent, are against the tax. As a principle of democracy, there is a need to consider the view of the minority—and 40 percent is not really a small minority. Considering all these, I think the consumption tax should be abolished first and then relaunched. That is the essence of politics.

[Okamura] Mr. Nagasue, there might have been some misunderstanding, but you once talked about a great coalition of conservatives and reformists. Of course,

there is no possibility that the LDP and DSP will form a complete coalition, is there?

[Nagasue] That is out of the question. That is, if the four parties are not be able to win the majority—as Mr. Fuwa was saying, whether we will include the JCP, we will not...

[Okamura, interrupts] You will not?

[Nagasue] In case some members of the LDP, which has lost its ruling position, asked to join us, we, the four parties will say: welcome. That was what I had in mind. But the election has not been held. Right now, we believe that our four parties will certainly win the majority.

[Okamura] I see. Mr. Kaifu, the common people are most concerned that as a result of the election—of course there will be various benefits—even if it is not as bad as deliberations being deadlocked in both lower and upper houses, some people are worried that the ruling party will become helpless. What do you think of that? Are you confident?

[Kaifu] I have one thing to say. In accordance with the spirit of parliamentary politics, we will sincerely hold dialogues, and persuade, and seek cooperation. In the case of the Pension Law and the Basic Land Law, the LDP has managed under similar conditions. The opposition parties should also take up the people's position and should not insist on uncompromising views just because of differences in party stands. To insist on such views would render the election meaningless. I hereby sincerely request their understanding and cooperation in fully performing the role of the Diet, and I will continue to do so in the future.

[Okamura] I will ask the same question of Mrs. Doi of the JSP, the No. 1 opposition party. In the coming election, you will fight as hard as possible.

[Doi] Yes, certainly.

[Okamura] It will be too bad if confusion persists after the election.

[Doi] You are right. I believe that we must take the attitude of working actively and diligently together for what we think is desirable. For instance, in the upper house, after July, a number of things happened. From a long-term point of view, concerning the Atomic Bomb Victims Assistance Bill, which was not passed in the Diet, or the Part-time Workers Bill, which we plan to submit to the Diet, or the Child Care Leave Bill, Mr Kaifu has shown great understanding concerning those bills and has said that such laws will certainly have to be legislated. We can certainly work together on those issues. We would certainly like to exert efforts to conduct substantial discussions. That is very important.

[Okamura] I hope that all political parties will fight hard in the election and that they will take a serious attitude of preventing any chaos in the Japanese economy and the people's livelihood after the election. With this, we end the first part of the debate. Mr. Mizukami, we have finished.

[Mizukami] Thank you for your hard work. When we accepted the request to conduct this debate, I thought we accepted a great burden. After bringing the debate to this point, I am relieved. We thank the leaders of the five political parties and the hosts, Mr. Okamura and Ms. Arima. We will now have an intermission. Please remain seated while the party leaders leave the hall. As to the question sheets, we will collect them right now at the start of the intermission. The intermission will be 15 minutes, but please return to your seats after 10 minutes, or at 1610. That's all.

Opposition Leaders Say Debate Topics Too Wide

OW0202153190 Tokyo KYODO in English 1434 GMT 2 Feb 90

[Text] Tokyo, Feb. 2 KYODO—Prime Minister Toshiki Kaifu, emerging from a three-hour TV debate with four opposition party leaders Friday, said he wished there had been more time to explain the policies of his ruling Liberal Democratic Party (LDP). Kaifu, the LDP president, speaking to reporters at his official residence, said that he will fully explain LDP policies during a campaign for the February 18 general election and appeal for voter support.

Leaders of the four major opposition parties all said they hoped for another round of top-level debates before the end of the two-week campaign, which will start Saturday.

The heads of the Japan Socialist Party, Komeito, Japan Communist Party, and Democratic Socialist Party said they doubt TV viewers could fully understand policy differences of the ruling and opposition parties on the basis of Friday's debate.

JSP Chairwoman Takako Doi, Komeito Chairman Koshiro Ishida, JCP Presidium Chairman Tetsuzo Fuwa, and DSP Chairman Eiichi Nagasue were speaking at separate press conferences at the Diet. Doi, Ishida and Fuwa said there should be another debate focusing entirely on several crucial problems. The three leaders shared the view that Friday's debate took up topics too wide in scope.

But Doi praised the holding of the debate, saying that it was significant that the heads of the ruling and opposition parties engaged in it the day before the beginning of the campaign.

LDP Criticizes JSP Indirect Taxation Plan

OW0602125490 Tokyo KYODO in English 1217 GMT 6 Feb 90

[Text] Tokyo, Feb. 6 KYODO—The ruling Liberal Democratic Party (LDP) on Tuesday criticized a Japan Socialist Party (JSP) plan to introduce an indirect tax on specific items to replace the unpopular Consumption

Tax. LDP Secretary General Ichiro Ozawa said in a party statement issued at a news conference, "It (the JSP proposal) amounts to a restoration of the Commodity Tax that the JSP admitted was unreasonable and goes against the times."

The former Commodity Tax, imposed only on certain goods, was ended last April when the 3 percent Consumption Tax was installed. The new Consumption Tax covers almost all goods and services.

JSP Chairwoman Takako Doi proposed Sunday to introduce an indirect tax on specific goods with differentiated tax rates.

The LDP statement said Japan's past indirect tax system had been criticized by foreign countries as "unfair" in the case of imported whisky and automobiles. The revival of an indirect tax on specific items will trigger a confrontation with foreign countries calling for free trade, it said.

Japan Communist Party Vice Chairman Koichiro Ueda and Eiichi Nagasue, chairman of the centrist Democratic Socialist Party, also expressed critical opinions over the introduction of an indirect tax on specific items. However, Komeito Chairman Koshiro Ishida on Monday agreed with the JSP plan.

The opposition camp has said it will again submit bills designed to scrap the Consumption Tax after the February 18 House of Representatives election.

The LDP plans to submit bills to revise the Consumption Tax, exempting food items at the retail level and reducing the tax rate for food producers and wholesalers from 3 percent to 1.5 percent.

The governing party has also decided that the exemptions would include childbirth expenses, school entrance fee, house rent, and five other items.

Mongolian Premier Sodnom Plans To Visit Japan

OW0602011490 Tokyo KYODO in English 0033 GMT 6 Feb 90

[Text] Tokyo, Feb. 6 KYODO—Mongolian Premier Dumaagiyn Sodnom will pay a six-day visit to Japan from February 27 to March 4 for talks with Japan's political and business leaders, the Foreign Ministry said Tuesday. Sodnom, who is the second-ranked official in Mongolia after head of state and Communist Party leader Jambyn Batmonh, will become the highest Mongolian official ever to visit Japan.

The trip follows a visit to Ulaanbaatar last May by then Foreign Minister Sosuke Uno, which led to the dispatch there in August of the first full-fledged Japanese economic mission.

Foreign Ministry officials said Sodnom will meet with Prime Minister Toshiki Kaifu during the official portion of his stay, pending the outcome of the February 18 general elections, and will also meet Emperor Akihito. His delegation will also meet with Japanese business leaders in Tokyo and Osaka, officials said.

A top-level Foreign Ministry official said Monday that Mongolia has recently been putting great emphasis on expanding relations with Western countries, particularly Japan.

He said that in pursuing its Asian diplomacy, it is important for Japan to positively respond to the reforms under way in Mongolia.

Influenced by its close ties with the Soviet Union, the government of the landlocked nation has been implementing economic and political reforms.

The reforms have recently brought to the fore a democratic movement which has been rallying for an end to the Communist Party's 69-year monopoly on power.

Banks To Write Off Y900 Billion Mexico Debt

OW0602041290 Tokyo KYODO in English 0338 GMT 6 Feb 90

[Text] Tokyo, Feb. 6 KYODO—Japanese commercial banks will write off a total of some 900 billion yen in loans to Mexico as deductable bad debts in the current business year ending March 31, financial sources said Tuesday. The move follows the signing of an international debt reduction agreement Sunday between Mexico and its commercial bank creditors.

The agreement includes a debt renegotiation covering the 48.5 billion dollars held by the commercial banks of the 93.6 billion dollars of foreign debt Mexico will owe on March 31.

The creditor banks chose from three options—reducing the principal by 35 percent, reducing interest to a fixed rate of 6.25 percent, or offering new loans equal to 25 percent of the Mexico debt they already held. The remaining debt from the first two options will be exchanged for Mexican Government bonds backed by U.S. Treasury bonds.

A total of 29 Japanese creditor banks have decided to reduce the principal of 80 percent of their combined 1.3 trillion yen in outstanding loans to Mexico, and to slash interest rates on the remaining 20 percent, with no plans to extend further loans, the sources said.

The principal reduction will cost the banks about 360 billion yen, the sources said. They can expect a further loss of about 500 billion yen because the Mexican Government bonds the banks have opted for will be traded on the market at about 40 percent of their face value, according to the sources.

Mongolia

Foreign Minster Gombosuren Receives GDR Envoy

OW0602095590 Ulaanbaatar International Service in English 1200 GMT 5 Feb 90

[Text] Mongolia regards the issue of reunification of the two German states from the position of respecting the rights of nations' to self-determination. This was said by Mongolian Foreign Minister Gombosuren during his meeting in Ulaanbaatar Saturday [3 February] with the GDR ambassador to Mongolia, Lothar Zoellner.

The GDR ambassador explained to the Mongolian minister the essence of the GDR Government initiative on a stage-by-stage reunification of the two German states. The Mongolian foreign minister has expressed confidence that the rapprochement process of the German states would not become a factor destablizing the situation in Europe. Gombosuren further said that European stability is one of the key factors in normalizing the political climate throughout the world. Therefore, its preservation and consolidation is closely connected also with the strengthening of peace and security in other continents, including in Asia.

Army Personnel Reduced by 30 Percent Since 1987

LD0402175790 East Berlin ADN International Service in German 1659 GMT 4 Feb 90

[Text] Ulaanbaatar (ADN)—Since 1987 the number of personnel in the Mongolian People's Army has been reduced by 30 percent. Defense Minister Lieutenant General Luvsangombyn Molomjamts stated further to the press in Ulaanbaatar that work is presently being undertaken on a new military doctrine for the country. The previous defense policy has not always been in accordance with Mongolia's economic potential and human resources. The law on general compulsory military service must be revised, and legal norms in the army must be improved. The minister spoke in favor of publishing details about the military budget.

Students Favor Removal of Stalin Monument

LD0502093290 East Berlin ADN International Service in German 0742 GMT 5 Feb 90

[Text] Ulaanbaatar (ADN)—In an opinion poll of the Mongolian Student League, 88.3 percent of 1,300 people polled spoke out in favor of the removal of the Stalin monument in the center of Ulaanbaatar. Only 11.7 per cent were against the demolition of the more than life-size bronze statue.

Meanwhile the party and government paper UNEN has published protocols of conversations by high-ranking Mongolian delegations with Stalin during the years 1934-35. They show that the Soviet dictator demanded that Buddhist clergy, "being a counterrevolutionary force," be isolated in Mongolia.

According to the latest information from the rehabilitation commission of the Mongolian People's Revolutionary Party Politburo, at least 30,800 people, including the majority of the clergy, fell victim to the repressive measures under Marshal Choybalsan in the 1930's and 1940's. Only 37 of the 724 monasteries remained intact.

New Party Rules Draft Published for Discussion

OW0602083790 Ulaanbaatar International Service in English 1200 GMT 5 Feb 90

[Text] The national daily UNEN has published a draft of a new addition of the Mongolian People's Revolutionary Party rules for nationwide discussion. This draft notes that the Mongolian People's Revolutionary Party, as the vanguard of a society, advances as its task the consolidation of all strata of population in the name of building a humane and democratic socialism and for the prosperity of the country and people.

During the nationwide debate, it is planned to sum up the remarks and suggestions of communists and workers after which the draft rules will be submitted for consideration to the next regular plenum of the Mongolian People's Revolutionary Party Central Committee.

Council Restricts Official Automobile Use

OW0202005490 Ulaanbaatar MONTSAME in Russian 1440 GMT 31 Jan 90

[Text] Ulaanbaatar, 31 Jan (MONTSAME)—According to an UNEN report the MPR [Mongolian People's Republic] Council of Ministers has adopted a decree on decreasing the number of automobiles used by officials or for official purposes. The provision of special automobiles to people of ministerial rank for trips to rural areas is being revoked. Personal automobiles will not be provided to individuals having the rank of deputy minister.

In accordance with the resolution, it is envisaged to use the vehicles freed in this way for medical and cultural and daily services for the rural population and to sell them to citizens.

Number of Livestock Reaches 50-Year High

OW0102053990 Ulaanbaatar MONTSAME in Russian 1505 GMT 31 Jan 90

[Text] Ulaanbaatar, 31 Jan (MONTSAME)—According to the final results of a livestock census, 24.7 million head of livestock have been registered in Mongolia. Of the country's 18 aymags, the greatest number of livestock can be found in Dzabhan, Oborhangay, Hobsgol, Gobi-Altay, Hobd, Ubs, Tob, Bayanhongor, Bayan-Olgiy, and Arhangay aymags.

Of all 5 species of livestock there are 558,300 camels, 2,199,600 horses, 2,665,000 large-horned livestock, 14,265,000 sheep, and 4,959,000 goats. This is the first

time in nearly 50 years that this number of livestock has been registered in Mongolia.

According to specialists, a decrease in meat exports and the livestock breeders' change to lease and contract relations served in particular as the main impetus for considerably raising the number of livestock. Another important role was played by an increase in the number of dams and the birth of a record 9.6 million offspring.

North Korea

Nuclear Plant Reportedly Under Construction

OW0502140190 Tokyo KYODO in English 1340 GMT 5 Feb 90

[Text] Seoul, Feb. 5 KYODO—North Korea has started building a nuclear power plant in collaboration with the Soviet Union, South Korean sources well informed of Pyongyang affairs said Monday.

The plant, with four nuclear reactors capable of producing 440,000 kilowatts each, is under construction in the northern part of North Korea, the sources said.

The report was the first ever regarding on-going construction of a nuclear power complex by North Korea.

North Korea has only a gas-cooled nuclear reactor that became operational in February 1987 for research use in North Pyongan Province.

North Korea signed an international treaty on nuclear nonproliferation in December 1985, but has not yet allowed inspection of its nuclear power facilities by the International Atomic Energy Agency (IAEA). Pyongyang has not signed an agreement with IAEA.

Powell Remarks at U.S. Senate Denounced

SK0602053390 Pyongyang KCNA in English 0509 GMT 6 Feb 90

[Text] Pyongyang February 6 (KCNA)—[Gen. Colin L.] Powell, chairman of the U.S. Joint Chiefs of Staff, shamelessly vilified the DPRK in his "testimony" at the U.S. Senate Armed Service Committee a few days ago by alleging that the DPRK "maintains a shocking military strength" and he views the "U.S.-South Korea security relations" as an enough deterrent to what they call "provocation" when no one intends to provoke them.

Commenting on his outbursts, a signed commentary of NODONG SINMUN today says:

Lurking behind his outbursts is an ill-boding intention to justify their war provocation moves and find a pretext to directly light the fuse of a war against the North.

Numerous are historical facts that each time the imperialists unleashed a war, they got more unscrupulous in their false propaganda.

Powell's utterances so vividly remind us of a thief crying "stop thief". The U.S. imperialists not infrequently provoke us who are making sincere and consistent efforts for peace of Korea and her peaceful reunification. This indicates that they are doggedly following a confrontation policy.

Recalling that the large-scale "Team Spirit" joint military exercises, the aerial espionage against the northern half of Korea and other frantic war provocation moves on the part of the U.S. imperialists are rendering the situation on the Korean peninsula more acute, the paper stresses:

The Korean people take a serious view of the outbursts of Powell and are heightening vigilance against the ever more undisguised war moves of the U.S. imperialists.

U.S. Denounced for Conducting Aerial Exercise

SK0502152390 Pyongyang KCNA in English 1513 GMT 5 Feb 90

[Text] Pyongyang February 5 (KCNA)—The U.S. imperialist aggressors are staging aerial military exercises according to the plan of the adventurous "Team Spirit 90" joint military exercises by continuously bringing various types of warplanes to South Korea from their overseas aggression bases in the Pacific region, thus rendering the situation on the Korean peninsula all the more strained, according to military sources. Over the last three days entering February they have staged aerial military exercises as part of the provocative "Team Spirit 90", inciting a war fever, by bringing to South Korea nuclear-capable fighter-bombers, assault planes, pursuit-assault planes, helicopters and transport planes in an unbroken chain from the U.S. mainland Japan and other overseas aggression bases.

On February 3 and 4 they staged a feverish nuclear aerial exercise for forestalling attack on cities and main targets in the northern half of Korea by bringing formations of nuclear-capable "F-16" fighter-bombers in a planned way to the airforce bases of the U.S. imperialist aggression forces in South Korea from their overseas aggression bases in Japan and other Pacific areas.

Earlier, at around 17:00 on February 2 the U.S. imperialists staged another aerial military exercise for a surprise strike at main targets in the coastal and inland areas of the northern half of Korea by hurling formations of "FA-18" pursuit-assault planes into the air above South Korea from their overseas aggression base.

On the 5th, they, in a bid to increase the capacity of joint aerial operations of the U.S. imperialists and the South Korean puppets, staged a frantic joint aerial military exercise simulating an attack on the north as part of the aggressive "Team Spirit 90" with sorties of "F-16" fighter-bombers belonging to the airforce of the U.S. imperialist aggression forces in South Korea and other planes of the same type belonging to the airforce of the puppet army and various types of assault planes.

Such frantic war gamble of the U.S. imperialists clearly shows that they are trying more recklessly to gratify their wild ambition for northward invasion.

North Decries U.S. Military Policy in South

SK0602103890 Pyongyang KCNA in English 1013 GMT 6 Feb 90

[Text] Pyongyang February 6 (KCNA)—The Democratic People's Republic of Korea has made every possible effort for a peaceful settlement of the Korean question and steps for disarmament have been taken internationally. The time is now opportune for the United States to take a drastic measure on the question of the pullout of its troops without delay.

The United States must withdraw its aggression forces from South Korea at an early date.

Pointing out that the U.S. reactionary ruling circles are crying in chorus against the withdrawal of the U.S. troops from South Korea, a signed article of NODONG SINMUN today says:

This is a downright challenge to the Korean people and other peaceloving people across the world who are unanimously calling for the U.S. troop pullout.

The U.S. imperialists refuse to withdraw their Armed Forces from South Korea because they seek to gratify their desire for world supremacy with South Korea as a nuclear forward base.

They attach great importance to the Asia-Pacific region, South Korea in particular, in satisfying this desire.

The U.S. imperialists intend to invade the northern half of Korea and attack other socialist countries, relying on their forward Armed Forces deployed in South Korea.

Another reason why they refuse to withdraw troops from South Korea is that they are trying to prop up their colonial rule over South Korea and back the "two Koreas" policy with strength.

The United States, with recourse to its Armed Forces in South Korea, framed up the puppet regime there and decides everything, holding the prerogative of the supreme command over the Army. Further, it has turned everything favourable to its colonial rule. The U.S. imperialists have put in the hands of the South Korean puppets every conceivable divisive plan such as "UN membership" and "northern policy" to drive them into legalizing "two Koreas". Worse still, they saw to it that a concrete wall was built to bisect one territory.

Another purpose pursued by them is to strengthen their domination and control over Japan by maintaining and strengthening their occupation of South Korea.

By clinging to the military strategy for leaving its troops in South Korea and keeping hold on Japan, the United States intends to take a firm grip on Japan as its junior ally and use it in executing its Korean and Asian policies.

With no amount of sophism can the U.S. imperialists justify the permanent presence of their Armed Forces in South Korea. They have no ground to keep their aggression forces any longer in South Korea.

U.S. 'Armed Attack on Cuban Ship' Criticized

SK0602104390 Pyongyang KCNA in English 1021 GMT 6 Feb 90

["Criminal Acts Encroaching Upon Sovereignty—KCNA headline]

[Text] Pyongyang February 6 (KCNA)—The U.S. imperialists, after their invasion of Panama, sent a large carrier to the coastal waters of Colombia under the pretext of "anti-drug campaign" and made an armed attack on the Cuban ship "El Hermann" in the international waters a few days ago.

This clearly shows once again that U.S. imperialism is the very one threatening and wrecking peace and security in the Central American region, the chieftain of international terrorism and the strangler of sovereignty, a signed article of MINJU CHOSON today says.

It continues:

After installing a pro-American puppet regime in Panama through armed aggression, the U.S. imperialists are directing the sharp edge of attack to Cuba and Nicaragua. This is because these countries are vigorously advancing under the banner of independence against U.S. imperialism and have a great revolutionary influence on Latin American countries.

Hating the victoriously advancing Cuba and Nicaragua as a thorn in their flesh, the U.S. imperialists have left no stone unturned in their attempts to stifle them from long ago. They have become more undisguised in these criminal acts after their invasion of Panama.

Today the U.S. imperialists are going on the rampage to crush Nicaragua and Cuba one by one with military forces just as they swallowed up the independent Republic of Panama.

The firing at the Cuban ship by a U.S. warship was aimed at finding an excuse for an invasion of Cuba.

The U.S. imperialists are desperately trying to reduce Latin America again with strength to their "tranquil backyard", and "hereditary estate". But this is a foolish dream.

North Denunciation of South Parties' Merger

HANGYORE Cited

SK0602045790 Pyongyang KCNA in English 0444 GMT 6 Feb 90

[Text] Pyongyang February 6 (KCNA)—South Korean HANGYORE SINMUN January 23 in an editorial

denounced the merger of the three parties—the "Democratic Justice Party," the "Reunification Democratic Party" and the "New Democratic Republican Party".

The merger of the three parties is an insidious step to put fresh muscles into the fascist dictatorial rule of the No Tae-u group and "a power struggle among factional leaders", the paper said.

Branding Kim Yong-sam's zealous activity for the grand conservative coalition as a betrayal of the broad democratic forces of South Korea, the paper said: He started crying that it is high time the distinctions between democracy and anti-democracy, between the ruling party and the opposition were removed, contending that the "liquidation of the Fifth Republic legacies was clinched," after Chon Tu-hwan enraged the people with his "testimony at the National Assembly".

Asking why Kim Yong-sam shook hands with the power of injustice at a time when it was predominant opinion that the military dictatorship of the "Fifth Republic" was reviving, workers who were trying to form the "National Council of Trade Unions" were being suppressed and the freedom of ideology and conscience was being strangled under the cloak of the "defence of liberal democracy", the paper said: It should be ascribed to his greed for power.

Noting that the grand conservative coalition is a "political coup without the use of the bayonet", the paper stressed that the plot for the grand conservative alliance will be smashed by the resistance of the popular masses.

NODONG SINMUN on Action

SK0602051990 Pyongyang KCNA in English 0503 GMT 6 Feb 90

[Text] Pyongyang February 6 (KCNA)—The developments following the decision to merge three parties—the "Democratic Justice Party" (DJP), the "Reunification Democratic Party" (RDP) and the "New Democratic Republican Party" (NDRP)—on the cloak of "political restructuring" show that the No Tae-u group intends to force the fascist one-party dictatorship through the "Democratic Liberal Party" (DLP), says NODONG SINMUN in a commentary today.

Noting that an agreement was reached at talks among the "presidents" of the three parties in Chongwadae on February 3 on seven items including the shelving of the repeal of the "National Security Law" and other evil laws and "strong counteraction" against labour disputes, the news analyst says:

To preserve the "National Security Law" is meant to intensify crackdown on the patriotic forces which call for national reunification and to continue following the anti-communist confrontation policy in North-South relations.

The agreement on "strongly countering" labour disputes which was reached at the talks bespeaks that the "new mega-party" to be inaugurated soon is in every fibre of its being a military fascist political party not different from the DJP and it will deal with even the struggle of workers for a life worth humanity at the point of the bayonet.

The anti-national, anti-democratic and anti-reunification treacherous color of this party is already sharply outlined.

It is clear to everybody that those who seek a way out in maintaining and prolonging the colonial military fascist dictatorial system of the United States and want to gratify their lust for power cannot do anything beneficial to democracy and reunification.

Kim Yong-sam, "president of the Reunification Democratic Party," blared that he would seize real powers of the "new mega-party" and exercise some influence on the abrogation of the "National Security Law" and other evil laws and the release of detainees and so on. Judging from what he did this time, however, his statements were nothing but a crafty ruse to appease the public accusations against him who betrayed the people and nestled against the bosom of the military fascist clique.

Nothing can be expected of the DLP by the South Korean people, the news analyst says, adding: The formation of the DLP must be frustrated by a united struggle of the patriotic forces.

Commentary on Merger

SK0602060490 Pyongyang Domestic Service in Korean 0023 GMT 6 Feb 90

[NODONG SINMUN 6 February commentary: "The Criminal Nature of the New, Integrated Party"]

[Text] On 3 February, joint talks among the presidents of three political parties in South Korea, who agreed to merge their parties, were held at Chongwadae.

At the talks, they reached an agreement on seven points, including withholding abolition of the National Security Law and other evil laws demanded by the people across South Korea, maintaining their basic frame, and sternly dealing with workers' strikes.

A series of moves since the Democratic Justice Party [DJP], the Reunification Democratic Party [RDP], and the New Democratic-Republican Party [NDRP] agreed to merge on the pretext of reorganization of political circles shows that the No Tae-u group is attempting to continue implementing a fascist one-party dictatorship through the Democratic-Liberal Party [DLP].

The points on which they reached agreement at the current joint talks showed more clearly the basic posture of the DLP's one-party dictatorship.

As for the National Security Law which they decided not to abolish, it is a fascist evil law designed to repress and eliminate the mass movement of the people from all

walks of life for independence, democracy, and reunification, which is being enhanced in South Korea every day, and patriotic reunification forces. It is a vicious anticommunist and antireunification law designed to pursue North-South confrontation and the nation's division by regarding fellow countrymen as the enemy.

The decision to maintain this evil law means intensifying suppression of the patriotic reunification forces in South Korea. It also means continued pursuit of an anticommunist policy for confrontation in North-South relations. In addition, one should not overlook their remarks that they will strongly deal with workers' strikes.

In the so-called new year's news conference this year, the traitor No Tae-u said that the cause of the enormous difficulties and pains which the South Korean economy is suffering is the workers' struggle for wage increases for existence, thus distorting the truth, and that he will sternly cope with this.

Similar agreements were reached during the current talks. This shows that the new integrated party, which it is claimed will be formed soon, will continuously suppress, even at the point of a gun, the struggle of the workers who demand a life worthy of men.

The antinational, antidemocratic, and antireunification nation-selling color of the soon-to-be born DLP, has already been clearly exposed.

Stating that the DLP's posture to pursue a one-party dictatorship by merging the three political parties has now been revealed, the president of the Party for Peace and Democracy said that the DLP will clearly abuse the National Security Law to suppress the democratic movement by deciding to maintain the frame of this law.

Since the DJP has been reduced to a minor ruling party, being rejected by the people, and its own existence endangered by disputes and discords within the party, the No Tae-u group launched a drive to merge the three political parties in order to maintain and extend its military fascist dictatorship by dragging in the political conspirators of the RDP and NDRP.

Kim Yong-sam of the RDP and Kim Chong-pil of the NDRP crawled into the lair of jackals in an attempt to realize their political ambitions. It is clear to everyone that those who are attempting to find a way to survive and to fulfill their desire for power by maintaining and extending the colonial military fascist dictatorship of the United States cannot do anything good for democracy and reunification.

Kim Yong-sam, the RDP president, sounded as if he will exert his influence on abolishing evil laws including the National Security Law and on releasing detainees by grasping the real power within the new integrated party. However, judging from his current acts, his remarks are a cunning lie designed to appease the masses' condemnation of himself for entering the bosom of the military fascist group, thus betraying the people.

There is nothing that the South Korean people can expect from the DLP. All the facts show that only when patriotic forces check the farce of forming the DLP through the united struggle, can independence, democracy, and reunification be achieved.

South Activists' Anti-'DLP' Actions Reported

SK0502110490 Pyongyang KCNA in English 1021 GMT 5 Feb 90

[Text] Pyongyang February 5 (KCNA)—Many South Korean students including those under the Seoul District Federation of General Student Councils (Sochongnyon) are planning to stage big joint rallies and street demonstrations, branding the merger of three parties—the "Democratic Justice Party," the "Reunification Democratic Party" and the "New Democratic Republican Party"—as a pro-U.S. fascist alliance, and are rising in struggle to smash the three-way merger, according to a report.

The campus organizations including Sochongnyon criticized the merger of the three parties as "a strategic arrangement for the long-term office of the anti- democratic forces," as "a plot to push through the policy of 'two Koreas'" and decided to launch a full-scale struggle against it.

Hence, Sochongnyon set the period from February 6 to 14 as a period of action for smashing the merger of the three parties and resolved to hold university-scale rallies and a joint rally of Sochongnyon and carry on propaganda activities among the population and street demonstrations in this period.

As Sochongnyon decided to wage the struggle against the merger of three parties in solidarity with the National Alliance of the Movement for the Nation and Democracy (Chonminnyon), the National Teachers Union (Chongyojo), the progressive political alliance and other dissident forces, one more round of fierce struggle is expected in the coming spring, said the report.

South Anti-'DLP' Joint 'Front' Reported

SK0502102890 Pyongyang KCNA in English 1005 GMT 5 Feb 90

[Text] Pyongyang February 5 (KCNA)—Eleven organisations including "Chonminnyon" [National Democratic Alliance of Korea] and "Chonnohyop" [National Council of Labor Unions] in South Korea February 2 discussed a countermeasure of dissident organisations against the merger of three parties and vowed to conduct an all-people movement to form an anti-"DLP" (Democratic Liberal Party) joint front, according to a report.

These organisations took this step in response to the growing demand of public opinion that the democratic forces be united into one against the merger of the three parties—the "Democratic Justice Party," the "Reunification Democratic Party" and the "New Democratic Republican Party" in South Korea.

Student Demonstrators in Pusan 'Expand Struggle'

SK0502052690 Pyongyang KCNA in English
0508 GMT 5 Feb 90

[Text] Pyongyang February 5 (KCNA)—Some 3,000 members of dissident organisations including the Pusan national alliance of the movement for the nation and democracy, students and citizens in Pusan, South Korea, held a citizens rally denouncing the merger of three parties at the playground of Pusan University on February 3, according to a report.

The attendants branded the conservative coalition of three parties as an "anti-national, anti-democratic act" and decided to expand the struggle against it all over South Korea.

The speakers denounced the decision of Kim Yong-sam's "Reunification Democratic Party" to merge into the "Democratic Justice Party" as "betrayal which helps the long-term office of the military dictatorial 'regime'" and called upon all the democratic forces to pool strength to smash it.

After the rally the attendants went out to the street and conducted a street propaganda against the merger of the three parties.

The fascist clique posted 12 companies of police force 2,000 strong around the meeting place.

Students belonging to the Pusan regional death-defying corps of patriotic youth threw fire bottles at the district party building of the "Reunification Democratic Party" in a protest against the merger of the three parties on February 2.

A police traffic post and a police car were gutted by the struggle of students.

Prosecution of Chondaehyop Leader Denounced

SK0402084090 Pyongyang KCNA in English
0804 GMT 4 Feb 90

[Text] Pyongyang February 4 (KCNA)—The South Korean fascist clique on February 3 brought a lawsuit against student Im Chong-sok, chairman of the "National Council of Student Representatives" (Chondaehyop), at the puppet Seoul district criminal court, according to a report.

They scheme to refer him to a murderous trial by charging him with eight-item offences including "special infiltration and escape" against the "National Security Law" and "violation of the Law on Assembly and Demonstration".

The "information" faked up by the military fascist clique says that Im Chong-sok "manipulated behind the scene the secret visit of woman student Yim Su-kyong to the North" and made her issue the joint declaration of students of the North and the South in Pyongyang in the name of Chondaehyop and the Korean students committee. By this, the fascist clique are scheming to invent a pretext to pass a heavy penalty on him.

This shows how desperately the No Tae-u fascist group is trying to penalize on unreasonable charges Im Chong-sok who undauntedly fought for independence, democracy and reunification.

After he was arrested on December 18 last year, entrapped by the military fascist clique, Im has unyieldingly continued his struggle with a strong will, exercising the right of silence against their brutal interrogation and fasting in protest against the scheme to suppress dissident figures by connecting them with him.

The criminal scheme of the No Tae-u fascist thugs to transfer patriotic student Im Chong-sok to a murderous trial by prosecuting him will give rise to the bitter resentment and strong protest of South Korean students and people.

South's 'Tieup' With South Africa Denounced

SK0502103490 Pyongyang KCNA in English
1010 GMT 5 Feb 90

[Text] Pyongyang February 5 (KCNA)—Kim Yong-yong, chairman of the Korean Anti-Apartheid Committee, in his statement today, denounced it as a malicious challenge to the world progressives and the African frontline states opposing apartheid for the to strengthen the South Korean puppets to tieup with the South African racists. [sentence as received]

The South Korean puppets are not only expanding their economic relations with the South African racists but also closely cooperating with them even in the military field.

The South Korean puppets, the statement says, fully reveal their true colour as despicable patrons of apartheid by lightening collusion with the South African racists against the trend of the times.

The successive South Korean puppet rulers have zealously supported and encouraged in every way the policy of racial segregation of the South African racists, as thorough-paced champions of racism, the statement says, and goes on:

These days the No Tae-u puppet clique are spreading words that they disparage the apartheid in South Africa in an endeavour to conceal their criminal color and find favor with African countries. With no amount of deceptive tricks, however, can the South Korean puppets veil their true color as despicable colonial stooges.

The Korean Anti-Apartheid Committee will invariably render full support and encouragement to the South African people in their just struggle to finally liquidate racism and win freedom and liberation in South Africa, stresses the statement.

Standardization Delegation Leaves for Cuba

SK0802111290 Pyongyang KCNA in English 1034 GMT 5 Feb 90

[Text] Pyongyang February 5 (KCNA)—A delegation of the Democratic People's Republic of Korea headed by Yo Song-kyun, chairman of the Standardisation Committee, left here today by air to attend the meeting of the coordinating countries of the Non-Aligned Movement in the fields of standardisation, metrology and quality control which will be held in Cuba.

Japanese Moves 'To Revive Militarism' Denounced

SK2801101490 Pyongyang KCNA in English 0917 GMT 28 Jan 90

["Dangerous Moves to Revive Militarism—KCNA headline]

[Text] Pyongyang January 28 (KCNA)—The shooting at the mayor of Nagasaki by Japanese reactionaries well shows how reckless they have become in their moves for the revival of militarism, notes MINJU CHOSON today.

Public opinion at home and abroad view this incident as a premeditated act of the Japanese reactionary government and ultra-rightist gangsters to evade the blame for the World War II, defend and praise the war criminals and foster the revival of militarism, the news analyst says, and goes on:

Hirohito was a special-class war criminal who plunged Japan into the World War II and who was fully responsible for the criminal acts the Japanese imperialists committed during the war. Nevertheless, the Japanese rightist reactionaries defend the "emperor." Lurking behind this is a sinister intention to cultivate the spirit of unconditional worship of the "emperor" among the Japanese people, youth and children, incite militarist ideas replete with the wild ambition for overseas aggrandizement and realize the old dream of the "greater East Asia co-prosperity sphere" at any cost.

Recalling that the Japanese reactionaries praise the past history of aggression, cabinet members and Liberal Party dietmen visit the "Yasukuni shrine" and fly the "sun flag" and sing the "national anthem" of the period of the Empire of Japan at major functions, the paper stresses:

These moves of the Japanese reactionaries are grave criminal attempts to conceal their aggressive crimes of the past, praise war criminals as "heroes" and thus instil the venom of militarism into the minds of Japanese people, youth and children.

The world's progressive people who set store by peace and justice should heighten vigilance against the Japanese reactionaries' militarist moves.

Film Show Marks Mongolian Anniversary

SK0102110190 Pyongyang KCNA in English 1036 GMT 1 Feb 90

[Text] Pyongyang February 1 (KCNA)—The Committee for Cultural Relations with foreign countries and the Korea-Mongolia Friendship Association hosted a film show at the Chollima House of Culture today on the occasion of the 97th birth anniversary of D. Sukhe Bator, the founder of the Mongolian Party and state.

Present there were O Mun-han, vice-chairman of the Committee for Cultural Relations with Foreign Countries, and U Chong-hak, vice-chairman of the Central Committee of the Union of Agricultural working people and vice-chairman of the association, and other personages concerned.

Mongolian Ambassador to Korea Jambaldorjiin Badra and Embassy officials were invited.

The attendants appreciated a Mongolian feature film.

Coal Output Reported To Have Increased

SK0302151690 Pyongyang KCNA in English 1500 GMT 3 Feb 90

[Text] Pyongyang February 3 (KCNA)—The Korean coal miners carried out their January assignments at 100.4 percent, boosting coal output 50,000 tons up on the corresponding period last year, according to data available at the Ministry of Coal Industry.

The Anju District Coal Mining Complex, a leading coal producer of the country, fulfilled their January target at 101 percent by actively enlisting inner reserves and effectively using transport means.

The Kaechon District Coal Mining Complex carried out their January plan at 103 percent by increasing the capacity of all cutting faces and operating all the equipment in full capacity.

The coal mines under the South Hamgyong Provincial General Bureau of Coal Industry kept tunnelling ahead of excavation and boldly introduced new cutting methods to successfully carry out the January plan, lifting production 10,000 tons above the same period last year.

The coal miners in Sunchon, Northern and Tokchon Districts topped their January plan which was far greater than last year by increasing the utility rate of equipment.

Culture Minister at Literary, Art Meeting

SK0302092590 Pyongyang Domestic Service in Korean 2300 GMT 1 Feb 90

[Excerpt] A meeting of enthusiasts in the fields of literature and art was held in the Pyongyang International Movie Hall yesterday. The meeting was attended by Chang Chol, minister of Culture and Art, and by

functionaries concerned in the fields of literature and art in Pyongyang and the provinces. [passage omitted]

Daily Calls for Upsurge in Light Industry

SK0302074590 Pyongyang Domestic Service in Korean 0008 GMT 1 Feb 90

[NODONG SINMUN 1 February editorial: "Let Us Operate Light Industrial Plants at Full Capacity"]

[Text] Today when the entire country is accelerating the New Year's grand march with an exalted spirit, the light industrial field is assigned the important task of constantly increasing the production of people's consumer goods by effectively taking advantage of the already-laid light industrial foundation.

The great leader Comrade Kim Il-song has taught: The light industrial foundation that we have already laid is very massive and effectively exploiting it is an important task assigned to the light industrial field.

Effectively taking advantage of the already laid-light industrial foundation is an important task assigned to the light industrial field.

Under the wise leadership of our party, modern light industrial plants have been erected across the country, and their production potentials are very great. This is a precious outcome of the people-minded light industrial policy of our party, which adopts improving the people's standard of living as the supreme principle of its activities.

Only if our chuche-oriented and integrated light industrial base, which is equipped with textile, food processing, shoe-making, and daily necessities, and other industries, gives full play to its potentials can great changes be effected in the production of people's consumer goods.

Today our people are enjoying the most valuable and rewarding political life, a sound and rich cultural life, and a stable material life without any anxiety.

As elucidated by our party, if the people are supplied with more consumer goods by operating light industrial plants at full capacity this year, another great change will take place in our people's living.

The struggle to effectively take advantage of the already-laid light industrial foundation is precisely the honorable work of sharply increasing the production of people's consumer goods and of guaranteeing our people a more abundant cultural life by fully mobilizing and utilizing what we have.

The party's measure to drastically develop our light industry by concentrating investment on light industry and by actively mobilizing economic potentials is a great revolution to bring about a decisive turn in improving the people's standard of living in the first year of the nineties. Only when great success is attained in this work can the superiority of the most advanced and unique socialist system of our country be fully displayed.

We should stir ourselves up again to rely upon the already secured economic potentials and a mighty light industrial foundation.

To give full play to the potentials of the already laid economic foundation, the functionaries and workers in the light industrial field should resolutely struggle with extraordinary revolutionary determination.

As emphasized at the 17th Plenary Session of the 6th party Central Committee, our party demands that all functionaries, party members, and workers effect new great upsurges in the nineties with the same spirit and work style as those in the period of the great chollima upsurges after the war.

Under the present circumstances, in which, unlike the postwar period when we produced everything with our own strength from ruins, every condition has been provided, there is nothing that light industrial workers cannot do if only they are resolved to implement the party's decisions and directives.

All party members and workers in the light industrial field should operate light industrial plants at full capacity and normalize production at a high level, changing even unfavorable conditions into favorable ones.

Masters in attaining the goal for the production of light industrial goods, including the goal for the production of fabrics, are party members and workers in the light industrial field.

Our party, which trusts the party members and workers in the light industrial field, has assigned an important militant task to them. With a high self-awakening and sense of responsibility as masters in charge of the production of people's consumer goods, all party members and workers in the field should devote their resourcefulness and passion to discharge daily, 10-day, monthly, and quarterly tasks in all indices assigned to their plants, workshops, work teams, and themselves, thus rewarding the party's trust and expectation with loyalty.

The process of production is a course of dealing with and managing raw materials, materials, and equipment. The producers' sense of responsibility for being masters should be manifested in this course.

In conformity with the demands of realities in which the flames of new great upsurges are blazing up, the functionaries and workers in the light industrial field more responsibly manage equipment and materials and effectively exploit and further modernize and constantly elevate the level of technical provisions in keeping with scientific and technological developments.

In particular, the guiding functionaries in this field plan and coordinate the work of organizing manpower and

equipment and material management with rich economic knowledge as demanded by the Taean work system, actively mobilize inner reserves with reliance upon the strength of the masses, and intensify the produce-and-save-more struggle, thereby producing more and better consumer goods with the existing equipment, materials, and manpower.

Smoothly guaranteeing the supply of raw materials and materials is a decisive condition for operating light industrial plants at full capacity and normalizing production at a high level.

The light industrial field and many other fields of the national economy should vigorously stage the struggle to solve the problem of supplying adequate raw light industrial materials.

The light industrial field should more solidly build up its own raw material bases. In particular, the local industrial field should work out measures to fully mobilize and exploit local raw materials and materials in conformity with its realities.

Also, foreign trade should be strengthened to vigorously conduct the work of solving the problem of some lacking materials.

Light industrial production is closely related to the chemical industry and many other fields of the national economy. Giveing full play to the potentials of the massive light industrial foundation largely depends on how relevant fields carry out supply work.

The fields concerned should responsibly guarantee raw materials, materials, fuel, and power needed for light industry with the stand of taking responsibility together for the production of people's consumer goods. Also, the railway transport field should transport materials demanded by light industrial plants in a timely manner.

Chemical industry takes the greatest part in guaranteeing the supply of raw materials and materials for light industry. The chemical industrial field should produce more key raw materials—such as chemical fabrics and synthetic resins—and auxiliary materials.

To effect renovation in light industrial supply work, everyone should pay attention to light industry and concentrate greater efforts on it.

An important aim of our party's struggle for socialist and communist construction under the program for imbuing the entire society with the chuche idea after all lies in improving the people's living.

Our style of basic economic construction lines of primarily developing the heavy industry and of developing light industry and agriculture at the same time have been implemented ultimately to ensure a rich material and cultural life for the people.

Concentrating greater efforts on light industry while adhering to these basic lines is an important matter.

Proceeding from these realistic demands, our party has laid down the policy of concentrating greater efforts on light industry and has called on the entire party and all people to implement it.

All functionaries and workers should uphold the party's demands and intentions, further develop light industry, and in particular, conduct the active supply work of giving full play to the might of the existing light industrial foundation.

The role of guiding functionaries is also important in this work. The guiding functionaries of the State Administration Council, ministries, committees, plants, and enterprises should plan, think of, and organize the supply and distribution of raw materials, materials, coal, electricity, and funds on the principle of giving priority to the people's living and work hard to operate all light industrial plants at full capacity and to further modernize them.

It is important for the party organizations and functionaries to go down among the masses and invoke their ideas of how to make light industrial plants make the most of their capacity. When the producing masses are ideologically aroused, a tremendous amount of reserves for saving and producing more can be found everywhere and there is nothing that they cannot do.

The party functionaries and administrative economic functionaries in the light industrial field should go deep among the producing masses with the spirit of devotedly serving the people and a novel workstyle, explain to them the party's intention of a great revolution in light industrial production, and listen to their opinions, and find ways for normalizing production at a high level by relying upon the collective resourcefulness of the masses.

When the party organizations and functionaries in the light industrial field conduct work with people well and thus, make the producing masses think with the party's idea and unanimously turn out to devotedly work to implement the party's idea, great upsurges will be effected in light industrial production and new changes will take place in our people's living.

Slogans on Trees Praise Kim Chong-il

SK0302101890 Pyongyang KCNA in English 1003 GMT 3 Feb 90

[Text] Pyongyang February 3 (KCNA)—Trees bearing slogans highly praising dear Comrade Kim Chong-il, which belong to the period of the anti-Japanese revolutionary struggle are being discovered in all parts of the country.

These slogans lauding Comrade Kim Chong-il as "the great star on Mt. Paektu," "the bright star," "the great man", "a hero" and the like number more than 200.

They include many slogans which boasted of the birth of Comrade Kim Chong-il to the whole world as a great fortune of Korea and the biggest auspicious event of the

nation, regarding it as the appearance of the great lodestar, such as "O Korea, we inform thee of the birth of the star on Mt. Paektu," "long live the bright star on Mt. Paektu which rose, shedding bright rays over the land of three thousands ri."

Many slogan-bearing trees represent the Korean people's will to praise and hold in high esteem through generations Comrade Kim Chong-il who nursed the grand ambition to carry forward the revolutionary cause of chuche, experiencing the grim tests of the anti-Japanese revolutionary struggle, with extraordinary personality from his young years.

Reflected on the slogans are their resolution to follow Comrade Kim Chong-il as a beacon of hope, pulling through tens of thousands of ri of bloody battles, like the slogans "Bright star rises and his name is so great that it makes Korea shine," "Bright is the future of Korea under the brilliant star on Mt. Paektu," and "Let's follow the bright star on Mt. Paektu tens of thousands of years—1942".

These slogan-bearing trees prove that our people's ardent reverence for Comrade Kim Chong-il and their trust in him struck their historical roots and came into bloom nearly half a century ago.

NODONG SINMUN on Chongsan-ri Spirit

SK0402090390 Pyongyang KCNA in English 0841 GMT 4 Feb 90

[Text] Pyongyang February 4 (KCNA)—All the officials should deem it a boundless pride and honour to make revolution with the great Chongsan-ri spirit and method and hold fast to and thoroughly implement them so as to increase the might of the party and the revolutionary ranks and accelerate the march of the 1990s, says NODONG SINMUN today.

In February 1960, 30 years ago, the respected leader Comrade Kim Il-song stayed in Chongsan-ri (now under Kangso district, Nampo municipality) for fifteen days and created the great Chongsan-ri spirit and method by applying the chuche-oriented method of mass guidance to the new conditions of socialist construction.

In an editorial dedicated to this occasion, the paper says the Chongsan-ri spirit and method serve as a a powerful weapon of mass guidance which embodies the chuche idea and the revolutionary mass line. It continues:

Dear Comrade Kim Chong-il said:

"The Chongsan-ri spirit and method created by the great leader are an idea and method of communistic mass guidance which embody the revolutionary mass line of our party. They also embody comprehensively the traditional work method and the principle of mass guidance of our party."

The creation of the Chongsan-ri method meant the birth of a great leadership method which enables the ruling party to successfully build socialism without the slightest turns and twists or deviation. Thanks to this method, our party has struck its roots deep among the masses, successfully built socialism in reliance upon them and won victory after victory. It is one of the greatest achievements of Comrade Kim Il-song that he created the Chongsan-ri method with a scientific insight into the requirement of the time and the developing revolution.

The past 30 years when the Chongsan-ri spirit and method have been implemented have been fruitful annals when Comrade Kim Il-song, believing in the people, mixing with them and sharing bitters and sweets with them, has dynamically advanced our revolution in reliance upon their strength.

In the course of applying this spirit and method under the wise guidance of the party, the work of our party has been firmly turned into work with people, the outdated work method including bureaucratism and subjectivism has been thoroughly overcome and a radical improvement has taken place in the method and style of party work.

The might and leadership ability of our party have been strengthened incomparably thanks to the efforts to implement this spirit and method.

Today our party demands that the Chongsan-ri spirit and method be consistently adhered to and thoroughly implemented so that the superiority of our socialism can be displayed more fully.

What is important here is that the immortal achievements of Comrade Kim Il-song are made to shine forever and that the officials always visit the subordinate units and work and live together with the masses.

The important task for the thorough implementation of the Chongsan-ri spirit and method is for the officials to firmly establish a revolutionary habit of work.

'Advanced Socialist System' Praised

SK0502054890 Pyongyang KCNA in English 0519 GMT 5 Feb 90

[Text] Pyongyang February 5 (KCNA)—Those who came over to the North from the South are highly praising the advanced socialist system set up in the northern half of Korea.

Young man Yi Sang-yon who had been to the United States and other countries as the chief mate of a foreign-flagged merchant ship had this to say:

The moment I set foot in the North, I felt that i have come to the true world of mankind.

Everyone I met was happy proud of being masters of the country and society.

The more I heard about the popular policies of the state the more deeply they moved me. I feel stronger that I am in the ideal society of people's welfare as the days go by.

Song Chae-hong, who eked out his living as a day labourer in South Korea, said:

Through the elections of deputies to the provincial, city and county people's assemblies held in all areas of the republic in November last year, I realized more clearly that the North is a genuine country for the people. Those who did much work for the people are elected deputies from among workers, peasants, public officials, scientists and people of other strata in the North.

Young man Sin Tong-sok who went to South America to get a job pointed out:

I was moved to see the Kwangbok Street, Chongchun Street, May Day Stadium and many other monumental edifices which were built in a short span of time. The boundless love and solicitude of the great General Kim Il-song and the dear leader Mr. Kim Chong-il for the people, the unanimous desire of the people to repay it with loyalty and their inexhaustible creative power are source of their matchless might to bring about miracles.

Yi U-kap who was associate professor of the Kunsan Vocational College and vice-chairman of the North Cholla Provincial Sea Juvenile Federation in South Korea, stressed:

The sons and daughters of the working people in the North study free of charge up to university and adults study to their heart's content at correspondence course, factory colleges and farmers' colleges while on the job. The North is "a country of education" where the entire people study.

Kim Chae-kol, a South Korean student studying in West Germany, said that there are modern hospitals everywhere in the North, which has established the preventive medicine system and the section doctor system and gives free medical treatment people.

Yang Chil-song, who made his living as an agent in South Korea, emphasized:

The people in the North are leading a true human life as a grand family under the deep love and care of the respected President Kim Il-song and the dear leader Mr. Kim Chong-il.

Chong Kyu-chin, who was director of the Hwanam Chemical Company Ltd., Seoul, said:

The social system in the North where the man-centred chuche idea is fully embodied is a good system, indeed. The future of the nation belongs to socialism of chuche in the North.

Functionaries Should 'Mingle' With 'Masses'

SK2801134590 Pyongyang Domestic Service in Korean 2109 GMT 25 Jan 90

[NODONG SINMUN 26 January editorial: "Functionaries Should Mark a New Great Revolutionary Upsurge by Sharing Weal and Woe With the Masses"]

[Text] Today, we are faced with the task of effecting a new great upsurge in socialist construction by upholding and following the New Year's address of the great leader Comrade Kim Il-song and the decision of the recent plenary meeting of the party Central Committee. To fulfull this task, it is important for guidance functionaries to work hard with new resolution and determination and to energetically wage organizational and guidance work among the masses to implement the decision of the plenary meeting.

Comrade Kim Chong-il, member of the Presidium of the Political Bureau and secretary of the party Central Committee, has indicated: All functionaries should go down to lower echelons under the slogan "Let the entire party mingle with the masses" and wage guidance work there in a substantial manner.

The party's slogan "Let the entire party mingle with the masses" is a very good slogan that has embodied the demands of the chuche idea. The slogan extensively reflects the demands of our party's mass line, which always serves the masses, shares joys and sorrows with them, and solves all problems, trusting and relying on the masses. The basic requirement for the achievement of perfect harmony between the party and the masses is for the entire party to mingle with the masses.

The kindred ties with the popular masses are precisely the party's life. Only by taking roots deep among the masses can the party maintain its existence and guarantee its leadership position. The ties between the party and the masses are realized through functionaries. Functionaries inform the masses of the party's ideology and intent so that that the masses can breathe and act according to the party's ideological will. When functionaries properly carry out work with people, the masses can more firmly rely on the party and enthusiastically follow it.

The party that mingles with the masses is alway invincible and can surmount any trials and hardships. The popular masses are the direct executors of the party's policy and have inexhaustible creative capability. To fully mobilize this capability of the masses, functionaries should directly mingle with the masses and should properly carry out their work with people.

The popular masses are teachers. Accordingly, when functionaries mingle with and rely on them, there will be no problem that can not be solved. In particular, only when functionaries always mingle with the masses can they grasp the popular masses' aspirations and demands and, thus, extricate themselves from subjectivism and bureaucratism.

The slogan "Let the entire party mingle with the masses" clearly expresses our party's leadership features which, always paying heed to the popular masses' voices, makes efforts to thoroughly realize their demands. Our party has consistently adhered to its policy which calls for functionaries to always mingle with the masses, to grasp

their aspirations and demands, and to thoroughly realize these aspirations and demands.

The great leader Comrade Kim Il-song has elucidated that what the (?party in power) [chipkwondang] should regard as dangerous and should pay precaution to is the tendency of bureaucratization and stressed that the party should mingle with the masses in order to prevent the tendency. The great leader Comrade Kim Il-song's teaching that functionaries' perpetration of bureacratism is harmful, speaking figuratively, like taking poison, and that their mingling with the people is beneficial, like taking tonic, vividly shows how seriously our party has stressed the need for our party to mingle with the masses.

Thanks to the respected and beloved leader Comrade Kim Il-song's teaching on the need to stop the bureaucratization tendency and the need for the functionaries to mingle with the masses in his numerous works, including ones that were published during the war period, the mass lines could have been implemented in our country from early on. The creation of the Chongsan-ri spirit, Chongsan-ri methods, and the Taean work system by the great leader Comrade Kim Il-song has brought a new change in establishing revolutionary work methods based on the mass lines and in making the entire party mingle with the masses.

The dear Comrade Kim Chong-il, who is glorifying the great leader's work methods, has enabled the party and the masses to further strengthen and develop their blood ties with a slogan in which he called on the entire party to mingle with the masses.

Because mingling with the masses has been assumed as a historically important question related to the party's fate, the old-fashioned work methods and habits have been overcome and a great single-minded unity, in which the party trusts people and people obey the party, has been achieved in our country.

Now that they have embarked upon the solemn march of the nineties, our functionaries face an important demand, that they go deeper still among the masses adhering to the party's traditional mass lines.

The nineties is an era of hope as well as an era of struggle. Our party has unfurled a grand plan to take initiative in coping with the fluctuating stream of history and make decisive progress in the revolution and construction.

The recent party plenary meeting has presented truly wonderful struggle objectives and tasks designed to unfurl a dazzling new future in front of our eyes. Clearly explained in these are the ways and methods to bring our people's new socialist living to full bloom by giving full play to the vast production potential through an all-mass struggle for production and conservation.

The question is how thoroughly the functionaries will implement the decisions of the party plenary meeting with an extraordinary resolve and a high degree of revolutionary zeal. Toward this end, they should correctly organize and command the struggle aimed at implementing the decisions of the party plenary meeting among the masses.

A blind end in a mine gallery, construction sites, and the combat field, where the flames of struggle for increasing production and conservation fly, are the commanding posts that our functionaries should occupy right at this moment. The key to effecting a new great upsurge in the nineties lies in mingling with the masses and stirring them up as in the post-war period of the great chollima upsurge.

Our party is now wisely leading the struggle to implement the decisions of the party plenary meeting. After putting in motion an uncommon operation capable of effecting a new change in socialist construction, the dear Comrade Kim Chong-il is now guiding the entire party and all the people in its implementation.

Realities mold a firm faith in the hearts of the functionaries that when they substantially carry out the work of organizing and commanding by visiting every corner of the country, including the units constituting the key elements of the economic construction, according to the party's operational plans, the decisions of the plenary meeting will prove their great worth without fail.

All the functionaries should see to it that a new upsurge is effected in socialist construction by passionately carrying out the organizational and political work and command the production, mingling with the masses with a high degree of revolution-mindedness, as did the functionaries in the era of the great chollima upsurge.

What is most important in this is that the functionaries heartily grasp the party's intention to bring about an epochal change in improving the work method this year and translate it into reality. In the past era, great headway has been made in improving the work methods of the functionaries through the struggle staged to embody the Chongsan-ri methods. However, there can be no such thing as halting in this work and it should be improved and strengthened without interruption.

Prescribing this year's tasks for improving the party's work methods, our party has stressed the need to perform the work according to the work methods of the party and political methods not only in name, but also in deed. Reflected in this is the party's intent to make our functionaries work only according to the mass lines, allowing not even a small element of wrong methods to interfere in their work.

In order to commit themselves to the work method of mingling with the masses by sharing weal and woe with them, it is imperative for them to embrace a firm revolutionary outlook on the masses. The revolutionary outlook on the masses is a viewpoint and a stand to regard the masses as the masters of the revolution and to perform the revolution by relying on their strength. This basically runs counter to such things as holding the

masses in contempt, ruling over them, and thinking of oneself as a special being standing above the masses.

In dealing with the masses, the functionaries should regard the masses as the masters of the revolution and consider themselves to be their servants and make it an inviolable principle of working by depending on the strength of the masses.

The revolutionary outlook on the masses is an expression of a high degree of revolution-mindedness and people-mindedness. No matter how long it may have been, our functionaries can never forget the past circumstances in which they were exploited and oppressed. The functionaries should never forget what class they belong to no matter how much their circumstances have improved and should live and work in the spirit of wading through swamps.

Toward this end, they should try to become the functionaries who are constantly on the move to do more works for the party, the revolution, and people and ones who mingle with the masses and devote themselves to the service of the masses.

Another important thing in implementing the party's slogan that calls for the entire party to mingle with the masses is for the functionaries to substantially take care of those below them. Our party always stresses that the functionaries form a habit and make it a rule to go below according to the demand of the chongsan-ri methods. For the functionaries to go deeper still among the masses, it is imperative to move the base of their activity to the production site by freeing themselves from the work methods of doing things only in the office.

After holding a good debate session for the implementation of the decisions of the party plenary meeting, the functionaries should really go below to the combat fields and do such things as personally sowing the seeds of increasing production and conservation and cultivating them so as to make them bear fruits while actively carrying out their activity.

The responsible functionaries, in particular, should go deeper still among the masses, freeing themselves from the work methods of doing things only in the office, and personally perform the work of organizing the combat and commanding with a sense of responsibility, not making others do their jobs.

Doing the work of going below substantially means seeing to it that their objectives are practically fulfilled. At present, the objective of going below is to discuss with the masses ways of implementing the decisions of the party plenary meeting, help them to locate reserves for increasing the production and conservation, and have them use production potential to the fullest.

At present, the reserves for increasing production and for conservation lie mainly in giving priority to the mining industry and transportation, in making the management activity science-oriented, and in further developing technology and science. So, the functionaries should discuss plans for technical renovation and work out steps for the fulfillment of the plans with technicians and skilled hands in close quarters on the production sites, such as a blind end in a mine gallery and power stations.

They should also try to analyze with the producing masses the status of raw material consumption and cost, rack their brains to find out ways of lowering them, and pay great attention to installing a strict system calculation and measure and gauge and lead them in running the enterprise management scientifically and reasonably by even attending the meetings of summing up daily production and accounting.

When it comes to the entry of the entire party deep into the masses, it is equally important for the functionaries to deepen the political work, the work with people. The entry of the entire party into the ranks of the masses seeks, ultimately, to stir up the masses and rally them around the party. This being the case, it is important to do a good job in political work and in going into the masses according to the demand for effecting a new great upsurge.

What needs a concentrated effort in today's political work is to deeply inculcate in the masses that the struggle we have staged to increase production and for conservation is not merely practical work, but work of great political and economic significance.

Our functionaries should see to it that everybody deeply realizes that today's struggle for increasing production and for conservation is a rewarding struggle to bring to full bloom our people's material and cultural living and to display higher the superiority and dignity of the chuche-oriented socialist system by giving full play to our economic potential, thereby making all the working people deeply grasp the essence, the vitality, and significance of the great leader Comrade Kim Il-song's New Year's address and the profound ideas reflected in the tasks for the struggle for increasing production and for conservation, tasks that have been prescribed by the party plenary meeting, and actively commit themselves to this work.

In today's political work aimed at effecting a new great upsurge, it is especially important to concentrate on substantially carrying out the indoctrination on the chuche idea by linking it to practice.

To say that the reserves for the struggle for increasing production and for conservation lie in the hearts of the working people means, ultimately, that the working people should fully display the spirit of being the masters.

The functionaries should see to it that all the working people, assume the spirit of being the masters of the revolution, locate the reserves for the struggle for increasing production and for conservation and run the state affairs in a meticulous manner as if they were their own. Toward this, it is important to make the masses deeply realize the fact that the revolutionaries and

patriots genuinely honoring the party are the ones who fulfill the production tasks assigned to them in time, make efforts to raise the amount of production per capita and quantity of crop harvested from every chong [unit of measuring the acreage of land], are thrifty in using even one piece of material when it comes to state property, and produce more, going so far as to save even one unit of money.

Today, when the size of the economy has become very large, the reserves for production and conservation lie in functionaries properly organizing and developing their assigned tasks proceeding from the standpoint of a party-wide and state-wide interest and effecting a joint innovation by highly displaying the collectivist spirit.

All functionaries should prevent the appearane of even the slightest degree of the elements of departmentalism, should organize their enterprise management activities, helping and leading each other, from the viewpoint of seeking the interests of the state, and, thus, should strengthen joint cooperation between economic sectors and between enterprises. To do so, functionaries should strengthen comradely cooperation among them with the firm determination to achieve the lofty goal of realizing the party center's plan.

What is important in mingling with the masses is also to thoroughly embody the party's intent, which calls for functionaries to work harder to give more benefits to the people. Functionaries should work more and the people should receive more benefits. This is precisely the important ideology that the dear Comrade Kim Chong-il has always stressed. Functionaries should work more and should revolve more around what they should do for the people. They should make more efforts to provide better working conditions and a better material life for the people.

Today, our functionaries face many tasks. Functionaries should do their best and work harder to produce more and more consumer goods by operating light industry plants at full capacity and to provide more benefits to the people by building more houses for them. Functionaries should have a frugal and modest ethos. Otherwise, they cannot mingle with the massses without reserve.

As our party has stressed, the people should give orders to functionaries, and functionaries should have the workstyle of unconditionally receiving and implementing the people's orders. Functionaries should always behave modestly and unceremoniously and should be clean-handed. Only such functionaries can not only enjoy the people's respect and love, but can also vigorously spur them to do their assigned tasks.

It is the important duty of party organizations of all levels to see to it that functionaries mingle with the masses in conformity with the demands of the developing reality. What is very important is for functionaries to firmly prepare themselves politically and ideologically in effecting a new great revolutionary upsurge. Therefore, party organizations of all levels should concentrate great efforts on this. Party organizations should correctly lead the organizational and ideological life of functionaries so that they can not only firmly establish their revolutionary outlook on the masses, but also work according to the demands of the Chongsan-ri method.

What is important here is to see to it that functionaries deeply study the great leader Comrade Kim Il-song's New Year's address of this year and the decision of the recent party plenary meeting and that they organize in a substantial manner lectures and discussions on the leader's historic work carried in recently-published party publications.

This year is a significant one marking the 30th anniversary of the creation of the great Chongsan-ri spirit and Chongsan-ri method. On the occasion of this historic event, party organizations should aggressively wage the campaign following and emulating the lofty model set 30 years ago by the great leader Comrade Kim Il-song, who then personally went to Chongsan-ri and stayed there for 15 days for on the-spot guidance.

It is a great pride of our party and people that under the slogan "Let the entire party mingle with the masses," together with the great Chongsan-ri method, the party and the masses are firmly united and are constantly effecting a upsurge in the revolution and construction. By continuously and thoroughly implementing the party's slogan, which calls for the entire party to mingle with the masses, all functionaries should more firmly strengthen the invincible unity and cohesion of the party and the people and, thus, should glorify the nineties as the era of a new great upsurge.

South Korea

ROK-DPRK-U.S. Disarmament Seminar Slated

SK0502115590 Seoul CHUNGANG ILBO in Korean 5 Feb 90 p 1

[Text] An official South Korean-North Korean-U.S. disarmament seminar will be held in the United States for the first time since our country was divided into the North and South.

Sources at the National Unification Board and academic circles said on 5 February that the International Affairs Institute of Seoul National University, whose director is Professor Chong Chong-uk; the Peace and Disarmament Institute under North Korea's Academy of Social Sciences, whose director is Song Hyo-kyong, deputy North Korean foreign minister; and the International Strategic Institute of Stanford University, whose director is John Louis, will sponsor this seminar and that this three-nation disarmament seminar will be held from 26 to 30 March in San Francisco.

Even though this seminar will be attended by scholars in private sectors, the governments of Korea, North Korea, and the United States are, in reality, directly assisting this seminar, where it is expected the opinions of the three countries on disarmament will be expressed for the first time.

It was learned, in particular, that, considering this seminar as a prior step to the tripartite talks among South Korea, North Korea, and the United States, talks that have been espoused by North Korea, North Korea will send to this seminar 4 to 5 people, including such high-ranking officials as Song Hyo-kyong, director of the Peace and Disarmament Institute and deputy foreign minister.

It was also learned that on our side, 4 to 5 people, including Seoul National University Professors Chong Chong-uk and Ha Yong-son and Korea University Professor Han Sung-chu, will attend this seminar, that the government had approved of their participation, and that discussions with the government on the topics had been under way.

On the host side, Stanford University of the United States notified the U.S. Department of State of this seminar and got informal permission from the Department that visas will be issued for the North Korean participants on condition that they will not carry out political activities. Also, during his recent visit to Korea, [Karl Spence] Richardson, chief of the Korean Affairs Section of the Department of State, discussed with relevant officials of our government how the two countries would cooperate and assist in this seminar.

A high-ranking government source said: The issue of withdrawing the U.S. Forces from Korea will be discussed in this seminar. I know that, as for the disarmament issue, how to build mutual military trust, an early stage of disarmament, and other issues will be extensively discussed at the seminar.

This source also said, "In view of the fact that the North Korean side has recently assumed a negative attitude toward North-South dialogue, it attracts our attention what logic the North Korean side will use and what attitudes it will assume in this seminar.

The International Strategic Institute of Stanford University hosts two academic seminars a year together with the Far East Institute under the Soviet Academy of Sciences. It also studies the balance of power in Northeast Asia and international relations.

Twice a year, this institute discusses disarmament and detente on the Korean peninsula with Seoul National University's International Affairs Institute. It has also discussed the same issues with North Korea's Peace and Disarmament Institute.

Last year, North Korea's Peace and Disarmament Institute invited to North Korea Gaston Sigur, former assistant U.S. secretary of state, and Hamell [spelling as published], former U.S. ambassador to China, and is an organization that externally speaks for North Korea at academic seminars concerning the Korean peninsula.

U.S. Desires 'Cooling' of Siberian Investment

SK0602044490 Seoul THE KOREA HERALD in English 6 Feb 90 p 6

[By staff reporter Sim Yong-su]

[Text] Korean entrepreneurs' enthusiasm on Soviet Siberia is fast cooling due to an increasingly clear picture of the stark reality of the frozen land and the Soviet economic system riddled with various bureaucratic red tape.

As recently as two years ago, many top Korean corporate groups displayed their intention to explore Siberia, which some Korean entreprenuers even dubbed "the land of unlimited possibility."

But now most of them have either given up their plans to invest in the Soviet land for good or shelved them at least till the investment environment improves—a distinct possibility in view of the developing political ties between Seoul and Moscow.

Now Hyundai—Korea's top corporate group headed by Chong Chu-yong—is sticking to its original plan of making a joint venture investment in Siberia.

Chong will soon visit Moscow again to put the final touches on his year-old talks with the Soviet side on the Siberian project.

Hyundai's decision to go ahead with its project despite various discouraging signs appeared to have come as much from political considerations for his country—to give new momentum to Seoul-Moscow political relations—as possible economic gains.

Most Korean businessmen agree that investment in the largely deserted Soviet land at the moment is too risky in view of its unfavorable climatic, geographical position, and the Soviet government's tough regulations on profit remittance.

They also were surprised at the Soviets' somewhat complex, outdated business practices, which they found too different from those of the Western world.

Another discouraging factor is that initial investment in infrastructure is too costly, and the "incubation period"—the period from investment to profit-making—is too long.

These Korean businessmen's anxiety is reflected by a recent report by a leading Korean institute on Soviet affairs, the Korean Association for Communist Studies.

The report, which was made for the Economic Planning Board, said that Korean entreprenuers are also reluctant to enter a Siberian venture for fear of unfavorable treatment they might receive because of the lack of diplomatic relations between Seoul and Moscow.

The two countries have agreed to set up consular relations this year but it is still uncertain whether it will lead to early establishment of official ties.

Because of these various factors, the report said, Korean entrepreneurs are taking a cautious approach to the Siberian projects, seeing the Soviet territory not as a land of unlimited possibility but as a "land of much uncertainty."

The report also warned Korean businessmen against making any quick commitments to the Soviet side on big investments before they finally decide to do so.

If they fail to keep their word to the Soviet side, the report said, it might create mistrust between the two sides, which it said will benefit neither.

The report also advised Korean businessmen to pursue economic exchanges with the Soviet Union at a pace with political development between the two countries.

If economic ties outpace political relations, it said, it could lead to deepening political tension between the countries, negating the efforts of both nation's governments to ease tension.

For this reason, the report suggested that Korean corporate groups should start with smaller investments in such consumer goods as soap, cigarette lighters and matches rather than heavy ventures.

Another source of pressure on Korean corporate groups to slow the pace in their Soviet ventures comes from Washington.

The United States has outwardly supported the Korean government's effort to promote economic exchanges with the Soviet Union, the report said, but inwardly Washington has been somewhat wary.

On the recent quickening pace of political relations between Seoul and Moscow, it said, Washington has shown a negative response and is asking Seoul to take a more discreet, gradual approach.

The report contrasts with the statements of high incumbent and former U.S. government officials who recently visited Seoul.

They said that they saw no reason for Washington to be nervous about the rapid progress in Seoul's northern policy.

The report said that U.S. government agencies are divided over whether the U.S. should enter joint-venture projects in the Soviet Far East and Siberia like many other advanced Western nations.

The Defense Department and other national security-related agencies remain strongly opposed to the joint-venture trend, the report said, because it might lead to transfer of sophisticated U.S. industrial technology to the Soviet side and help beef up Soviet military strength.

These agencies have also maintained the view that U.S. trade with the Soviet Union should continue to be checked for this same reason.

But the State Department and economy-related agencies have a far different view.

U.S. joint ventures to explore natural resources in Siberia will bring the United States vast economic gains and at the same time, will boost the Soviet economy's external reliance and induce the Soviets to seek more peaceful relations with the United States.

The United States has so far entered 14 joint-venture projects with the Soviet Union, but none of them are in the Far East and Siberia.

But as long as the Soviet economic system is unfamiliar to Western corporate groups, largely due to its complex bureaucratic red tape, Siberia will continue to be seen by Korean entrepreneurs as a "land of uncertainty."

Chief of Staff's Call for Renewing Military

SK0602083790 Seoul CHUNGANG ILBO in Korean 5 Feb 90 p 2

[Editorial: "Civilians and the Military Must Become Close—On the Army Chief of Staff's Call to the Military To Renew Itself"]

[Text] National defense is a concept subordinate to national security. Nevertheless, it is a core element of national security, and the role and responsibility of the military, which is primarily responsible for national defense, are of great significance.

A "capable and healthy" military in a society can be said to be a firm foundation that guarantees and promises stability and development, and is a prerequisite to it.

Also, what makes it possible for the military to play this role is, primarily, the people's support and love for it.

In this respect, we welcome Army Chief of Staff Yi Chong-ku's recent call to the military in his "command letter," to remodel itself by making efforts to innovate.

We have expressed great concern over the fact that because it has been dragged into the domestic political affairs for 18 years since Yusin, it has been estranged from the people against its own will. When they were threatened by the people's demand for democracy, the rulers of the authoritarian era were apt to use the military for political purposes after issuing an emergency decree or declaring martial law.

As a result, the people tended to identify the military with authoritarian rule. Moreover, even after the 29 June declaration, the people believe that the military is hostile to the trend of the era toward civilian rule.

We believe that these civilian-military relations are very dangerous in view of our security situation, and worry

that they may exercise a bad influence upon the military's role as a group mainly responsible for national security.

It is a fact that the military has been of the same opinion as ours. Therefore, we would like to assess the Army chief of staff's "letter" as a letter written to declare the military's intention to normalize the civilian-military relations, which have been unnatural so far.

Our military has made great sacrifices for and contributed to national defense and social development. In the meantime, since it began to get "involved in political affairs" when the 16 May, 1961, military coup was staged, a negative aspect in its relations with the people has also grown. Conflicts in civilian-military relations have been further aggravated since the 17 May incident and the Kwangju resistance struggle in 1980.

As Chief of Staff Yi said, the military must take its own place. The first task toward this end is, needless to say, political neutrality. We think that keys to political neutrality are establishing a career soldier system, specializing the military, and strengthening civilian control over the military.

Sympathizing with how the letter perceived the situation and what directions it presented, we expect that this desire of the Army's leadership will expand in practice throughout the military, and we demand this.

Our society is at a historic turning point. The fundamental change of the environment at home and abroad demands a new thinking and a new way of action, and the military can be no exception in this process of change and adaptation.

Chief of Staff Yi stated that "the nineties are a period when, after overcoming international instability, the danger of the North's provocations, and various other challenges and threats, we must build a springboard upon which we can leap to the status of a leader in the 21st century, which will be the era of the Pacific" and that "in the face of this goal of the state, the military must fulfill the mission of the era of assisting the country in fulfilling its far-reaching goal."

After pointing out that "our military must cool-headedly reflect on ourselves, asking ourselves whether, in the face of the radical change of our strategic environment and of the people's consciousness, we have shaped the appearance of an advanced military and whether it has made efforts to make people correctly understand various aspects of our military activities for national defense," he said: "In order to establish its new position, the military must make external efforts to save itself. However, the military must first reshape its image by making efforts to innovate, and the first task to this end is to promote the military's image true to its nature."

He also made it clear that "in order to promote its image true to its nature, the military must first assume the attitude of devoting itself to its fundamental mission and must take its own place."

We are at a point at which the North-South relations are likely to make a new start and in which the withdrawal of the U.S. troops, who have played an important role in our national defense, will soon start. Stressing that under these circumstances, the military's healthy role and the people's will to support this are all more necessary than ever, we expect that the recent "letter" will provide an opportunity to establish new civilian-military relations.

'Team Spirit', 'Wall' Problems Analyzed

SK0302033290 Seoul THE KOREA HERALD in English 3 Feb 90 p 2

[Text] Inter-Korean dialogue again ended in stalemate over the issue of the Korea-U.S. joint military exercise, Team Spirit.

Analysts forecast an impasse in the dialogue at least until after the annual military exercise is over in March, as witnessed in 1989.

In Wednesday's preparatory talks for an inter-Korean high-level conference in the truce village of Panmunjom, Pyongyang's delegates refused to proceed with negotiations on the conference before resolving the issue of the military exercise.

They demanded the south take three steps—an immediate halt to the exercise, withdrawal of U.S. forces and military equipment involved and continuation of the exercise only with Korean military forces if it cannot be canceled.

Northern delegates also reiterated during the meeting their demand that the concrete wall on the southern side of the Demilitarized Zone be removed which their leader Kim Il-song first mentioned in his New Year speech, as a precondition for total openness and free exchanges of people between the two Koreas.

North Koreans caused the 10th working-level contact for inter-Korea parliamentary talks Jan. 24 to end in deadlock by bringing up the issues of Team Spirit and the concrete wall, both of which were not on the meeting's agenda.

During Monday's talks on fielding a single South-North Korean team in the Beijing Asian Games later this year, Pyongyang's delegates rejected the southern offer to sign an additional accord guaranteeing implementation of the agreements already reached.

The rejection made the formation of a joint team virtually impossible.

This attitude of north Koreans contrasts sharply with their cooperative attitude last December.

After Red Cross contacts on arranging reunion of separated family member ended in failure early in December, North Korea abruptly softened its attitude and helped further the ongoing dialogue.

As a result, South and North Korean officials resolved most issues for the proposed conference between the prime ministers of the two Koreas, except the agenda.

In South-North sports talks, northern delegates accepted the proposals from the South without even reading them carefully.

Their attitude shifted in the new year. The North's apparent carefully calculated on/off policy indicates their strategies to some extent, analysts say.

They say North Koreans do not seem to be interested in bringing about progress in inter-Korean dialogue at the moment because of the possible impact on North Korean society.

They will use the dialogue for political propaganda against the South for the time being, the analysts say. Team Spirit was picked again to remind people that "it is the South which is responsible for the stalemate in the dialogue."

The military exercise serves for the north dual purposes—concentrating the attention of the people in the South on the U.S. troops in Korea and providing a good excuse for the impasse.

The concrete wall was added to reinforce the purposes. Pyongyang wants time to make necessary domestic adjustments although it knows it has to respond in some way to the current mood of detente in the world, especially to save its stagnant economy, the analysts say.

For that purpose, the north Koreans chose to be offensive outwardly. The series of proposals initiated by the North in the new year, including a conference of political and administration leaders of the two Koreas, supports their strategy.

The experience in 1989 strongly indicates the difficulty of making progress in any of the ongoing South-North talks during the first half of this year.

Both sides are more likely to clash over such political and military issues as Team Spirit during the contacts scheduled ahead.

Inter-Korean Exchange Act To Be Legislated

SK0502093690 Seoul YONHAP in English 0918 GMT 5 Feb 90

[Text] Seoul, Feb. 5 (YONHAP)—South Korea plans to legislate a special act on inter-Korean exchange and cooperation and to set up a South-North cooperation fund this year as part of efforts to ease tension on the Korean peninsula, National Unification Minister Yi Hong-ku said Monday [5 February].

Seoul will propose to the North signing a bilateral accord on travel, inter-communication and trade, Yi said in briefing President No Tae-wu on the Ministry's major policy plans for the year.

Yi said his ministry will draft the charter of a "Korean commonwealth" in a follow-up to No's announcement of a new reunification formula last September. No's proposal includes a declaration of nonaggression and formation of an inter-Korean coordination body on the way to ultimate reunification.

The government will continue to push for early realization of a summit meeting and a prime ministers' conference between the two Koreas, which remain technically at war though an armistice halted three years of fratricidal combat in 1953.

The Ministry will take steps to build political and military trust between Seoul and Pyongyang as part of a comprehensive plan on political and military affairs as well as develop strategy on talks with the North in these fields, Yi said.

In moves to facilitate economic cooperation, the Ministry will draw up detailed plans for joint development of Mt. Kumgang in the North and will induce Pyongyang to participate in joint ventures with Seoul in third countries, such as the Soviet Union or China.

South Korean companies will be allowed to form joint ventures with North Korean entities if there are also third-country partners and will be compensated by the government if they suffer financial loss as a result.

Besides existing channels of inter-Korean dialogue, Seoul will suggest bilateral talks on environmental protection and will back religious, cultural, academic and journalistic exchanges, Yi said.

It is inevitable that Pyongyang will change its policy toward the South due to the widening gap in national power, though it is impossible to see the change in the near future, he said.

"The Ministry will push for practical improvements in the South's bilateral relations with the North by analyzing the changes in East Europe and China for possible influence on Pyongyang," Yi added.

Realization of Sports Talks Stressed

SK0202055290 Seoul CHUNGANG ILBO in Korean 30 Jan 90 p 2

[Editorial: "Realize the Sports Talks—The North Should Show Sincerity in Forming a North-South Single Team"]

[Text] It is disappointing to see that the sports talks, which had been expected to easily reach agreement because they are the most non-political among the North-South talks, have reached a deadlock in the eighth talks.

The sports talks are the area in which the North Korean side has shown its most sincerity. In the sixth round of talks held on 22 January, the North Korean side agreed to the question of appointing a head of the team and the question of installing the joint secretariats in Seoul and in Pyongyang, which had been regarded as the most difficult issues. In addition, it agreed to 10 points which are much tinged with political aspects. As a result, there seemed to be a breakthrough.

However, the North Korean side, in the seventh round of talks, was opposed to six supplementary rules aimed at guaranteeing a sincere implementation of the agreed points, and thus cast a wet blanket over the prospect of the talks.

We cannot but view this dubious attitude of the North side as confirming the North Korean side's intention to slough off the responsibility for failing to reach an agreement onto the South Korean side and make it impossible for both the North Korean team and the South Korean team to participate in the Asian Games to be held in Beijing in September.

The current issues of the North-South relations with political and humanitarian characteristics, such as the North-South high-level authorities talks, parliamentarian talks, Red Cross talks, and others, are significant in building confidence, which should be preceded with a view to realizing "free travel and a full-scale open door between the North and the South" as proposed by Kim Il-song in his New Year address. To this end, we think that realizing the sports talks, which are less tinged with politics, is, first of all, reasonable.

The work of forming a North-South single team, which would make it possible to exchange hundreds of persons between the North and the South, can be viewed as a shortcut paving the way for home visits by separated families.

Proceeding from this standpoint, we appraised the sports talks as a significant watershed in deciding on the possibility of favorably developing North-South relations as a whole, not just forming a single team.

The North Korean attitude, which deems as useless the supplementary procedures that are indispensable in carrying out the agreed points, makes us doubt that North Korea wants to open doors and allow exchanges.

With this doubt, we urge North Korea to show a sincere attitude toward the development of North-South relations.

We expect that North Korea, embarrassed by the political changes that swept the East Bloc last year and trying not to further close its system, will awaken to the fact that reforming its internal system by improving North-South relations and flinging open its door to the Western world by degrees are the ways to overcome its pressing and difficult situation.

It is true that the wave of changes in the East bloc does not yet have a great influence upon Asian communist countries. However, as seen in Mongolia and Cambodia, the trend of reform has begun to influence the Asian boundary step by step. It is inevitable that North Korea will face changes some day, even though the timetable may be different.

We think that a shocking eruption of changes like those in Romania would not be conducive to peace on the entire Korean peninsula and to the smooth development of North-South relations. Therefore, we want North Korea to follow the grand trend of changes before missing the opportunity.

We once again stress that the first step toward this is to cast off the confrontational mindset and to lay the foundation for co-existence between the North and the South and that succeeding in the North-South sports exchanges and talks is the shortcut to it.

Seoul Supports Pyongyang Effort To Join ADB

SK0302020490 Seoul THE KOREA TIMES in English 3 Feb 90 p 8

[Text] North Korea will likely have no problem in becoming a member of the Asian Development Bank [ADB] thanks in a large part to the South's support of such a move. This support can also be viewed as paving the way for stepped-up economic and trade exchanges between the two parts of Korea.

According to an informed government source yesterday, the Seoul government recently notified the Manila-based ADB of its position that it would support Pyongyang's membership in the regional bank if the North puts forth its application.

The stance was made in response to an ADB request late last month on Seoul's official position shortly after Pyongyang dropped hint concerning its intention of joining the ADB.

It was the first time that the Seoul government has officially given its support to Pyongyang's efforts to join an international organization.

Under these circumstances, the source disclosed, the ADB is certain to raise no objection to North Korea's membership in the regional bank if it formally applies.

Of 47 ADB members, South Korea has a seat on the 12-member board of directors and if Seoul does not oppose, the United States, Japan and other powerful members of the board will certainly approve Pyongyang's membership.

Once the North becomes a member of the Asian Regional Bank, the source explained, economic relations with Pyongyang might be stepped up and it may open the way for South Koreans to invest in the northern part of the Korean peninsula.

The North will have to open, to some extent, its market to foreign countries, the source went on. North Korea, for example, will be obligated to make public its economic statistics in order to receive ADB loans.

The government will also help Pyongyang in its efforts if so desired to join the General Agreement on Tariffs and Trade (GATT), the U.N. Industrial Development Organization (UNIDO), the World Bank and other international bodies, the source disclosed.

The government is preparing legislation to establish a "South-North economic cooperation fund," for which the government will set aside a portion of the state budget beginning next year for use in helping the North's lagging economy, the source said.

In addition, the source said, the government is mapping out a special relief program that is to make available food and medical aid, in case of an emergency or catastrophe in the North.

Press Notes DPRK 'Approval' of Perestroyka

SK0502232090 Seoul THE KOREA TIMES in English 6 Jan 90 p 1

[Text] Tokyo (AFP)—North Korea, one of a few Communist states resisting the tide of reforms sweeping Eastern Europe, has revived its official approval of Soviet leader Mikhail Gorbachev's "perestroyka" restructuring program.

"Today the Soviet people are registering successes in their efforts to deepen perestroyka for socialist restructuring and step up socio-economic development," the North Korean Workers Party newspaper NODONG SINMUN said Monday.

The newspaper, quoted by the official Korean Central News Agency (KCNA) monitored here, also said Pyongyang-Moscow ties will be developed further "in conformity with the demands of developing revolution in the two countries."

New North Envoy to USSR May Be 'Protest'

SK0402094790 Seoul TONG-A ILBO in Korean 2 Feb 90 p 2

[Text] North Korea has recently recalled Kwon Hui-kyong, North Korean ambassador to the Soviet Union, and is expected to appoint Son Song-pil, chairman of the Central Committee of the North Korean Red Cross Society as the next North Korean ambassador to the Soviet Union.

A North Korean reporter, who was at the site of the sixth round of preliminary talks for the high-level North-South talks held at the Tongilgak in the area of the North side in Panmunjom on 31 January, disclosed that Kwon Hui-kyong, North Korean ambassador to the Soviet Union, had been recalled home to be tansferred to another post at the end of January and he is to be replaced by Chairman Son Song-pil.

In regard to this, Radio Moscow reported on 31 January that Ambassador Kwon paid a farewell visit to Soviet Foreign Minister Shevardnadze and discussed matters of mutual interest.

An informed source of information on North-South relations said that Ambassador Kwon is an important North Korean diplomat who has served as North Korean ambassador to the Soviet Union for 10 years since 1981 and that if the replacement of the North Korean ambassador to the Soviet Union is true, it may be an indirect expression of North Korea's protest to the agreement between the ROK and the Soviet Union to establish a consular department in their trade offices and dispatch their diplomats.

Soviet Scholars To Arrive for Exchange Program

SK0602063890 Seoul YONHAP in English 0554 GMT 6 Feb 90

[Text] Seoul, Feb. 6 (YONHAP)—Two Soviet scholars will arrive in South Korea next month under an exchange program with Hanyang University in Seoul for a three-month joint research project starting in April, a Hangyang spokesman said Tuesday.

The Soviets, from the Institute for Eastern Studies at the Soviet Academy of Science, will lecture on the Russian language at Hanyang and conduct research with Korean scholars into Soviet President Mikhail Gorbachev's perestroyka and glasnost reforms, said Kim Chong-nae, a researcher at Hanyang's Institute for Sino-Soviet Studies.

Hanyang will send two or three academics to Moscow in the second half of the year to research Far Eastern affairs, including relations between Seoul and Moscow and the development of Siberia, together with Soviet scholars, Kim said.

It will be the first time the two countries, which lack diplomatic relations, have exchanged researchers for a joint program although scholars from both countries have visited each other for academic meetings.

The exchange will be made in accordance with an agreement reached between Hanyang officials and Mikhail Titarenko, director of the Institute, when he visited Seoul as a member of the Soviet Institute for World Economy and International Relations in November.

Hanyang will pay the expenses for their stay plus research allowances and Hanyang's researchers will be given same treatment in Moscow, Kim said.

The university also plans to hold a Korean-Soviet seminar in Seoul in April.

Diplomatic Ties 'Expected' With GDR, Romania

SK0302040690 Seoul THE KOREA HERALD in English 3 Feb 90 p 1

[Text] Paris (Yonhap)—South korea is expected to establish diplomatic relations with Romania and East Germany next year, the Korean ambassador to France said Thursday.

In a lecture on "South Korea in 1989 and the prospects for 1990," Amb. Han U-sok said the success of Seoul's northern diplomacy, including the opening of diplomatic ties with Hungary and Poland last year, was based on reciprocal economic interests.

Han said Korea's achievement in its northern diplomacy with socialist countries was because of the reciprocal economic needs of Korea and those countries rather than the improvement of Korea's status in the international community.

In addition to its diplomacy with East European countries, Korea is reaping good results in its diplomatic efforts with Algeria and Vietnam, he said.

On south-north Korean relations, Han said little achievement has been made in improving relations by both sides despite ongoing efforts, adding South Korea is endeavoring to create a favorable international environment to induce North Korea to change.

South Korea is striving for a breakthrough to improve relations with North Korea by arranging an inter-Korean summit. Pyongyang has yet to accept Seoul's call for a summit.

The South Korean diplomat said the chances are slim for a Pacific economic bloc in the near future as European countries are concerned and Korea will be able to play a role as a bridge between Asia and Europe in the 2000s.

About 50 people from French academic, journalistic and government circles attended the debate, sponsored by the Pacific Affairs Institute of France.

USSR Exports Oil to State for First Time

SK0602071390 Seoul HANGUK ILBO in Korean 6 Feb 90 p 7

[Report by correspondent Chong Hun from Tokyo]

[Text] On 5 February, NIHON KEIZAI SHIMBUN reported that the Soviet Union recently exported oil to Korea for the first time.

According to this paper, the Korean company that imported Soviet oil is Honam Refinery Company. This low sulfur crude oil, which amounts to 110,000 barrels, comes from Siberia. It was learned that Honam Refinery Company imported Soviet crude oil because it is about a dollar cheaper per barrel than the international price. The overall amount of imported oil was $1.8 million.

This paper analyzed that the reason for the Soviet Union to start exporting oil to Korea was to strengthen economic exchanges between the two countries and to acquire foreign currencies. Up until now, the Soviet Union generally exported its oil only to socialist countries. However, since the export unit cost was cheaper than the international price, Korea was chosen as a country to export its oil as part of the diversification in exports.

State To Join Libya, Algeria in Oil Projects

SK0602045290 Seoul THE KOREA HERALD in English 6 Feb 90 p 6

[Text] Korea Petroleum Development Corp. (PEDCO) plans to jump into the oil development projects in Lybia and Algeria with Korean private partners this year.

The state-run oil prospecting firm, now participating in eight wildcatting projects abroad, has negotiations under way on technological and contractual terms and conditions with the two North African countries.

On the nation's continental shelf, the company will conduct seismic surveys of 4,000 line-km and sink a test drill in one of the Nos. 1, 3 and 4 mining blocks off the west coast, PEDCO President Choe Song-taek reported to Minister of Energy and Resources Yi Pong-so yesterday.

It also will actively induce two U.S. prospecting firms, Marathon and Unocal, to make test drillings in the Nos. 2 and 4 blocks. Hadson Petroleum International, another U.S. company, is searching for oil in the No. 5 mining block.

In the 6-1 block, where the company has found and confirmed deposits of natural gas over the past two years, one more confirmation well will be drilled and a test well will be sunk in another promising structure to prove the economic viability of the whole find.

To maintain the oil stockpile at enough to meet 60 days' demand in an emergency, it will start the design and site selection of five more stockpile bases, two for crude oil, two for petroleum products and one for liquefied petroleum gas.

it will start the construction of a 1 million barrel-class onland storage tank for completion by December 1991, Choe said.

Firms Seek PC Export to East Europe, USSR

SK0302020290 Seoul THE KOREA TIMES in English 3 Feb 90 p 8

[Text] Korea's electronics firms are vigorously seeking to export personal computers to the Soviet Union and other East European countries since COCOM (Coordinating Committee for Export to Communist Areas) eased restrictions on PC exports to the Communist bloc last October.

Korean computer companies began exporting PCs to the East bloc through intermediary companies in third countries or directly and some are seeking to build production lines in the Soviet Union.

Samsung Electronics Co. has sold 500 of its 16-bit AT systems to the Soviet Union and plans to export 10,000 ATs this year, industry sources said yesterday.

Hyundai Electronics Industries Co. has exported 300 ATs and 600 peripheral devices to the Soviet Union through a Soviet agent in Singapore, the sources said.

Hyundai has received a proposal from the forestry agency of the East marine province of the Soviet Union to build a joint venture PC factory near Vladivostok and has begun a feasibility survey, according to the sources.

The Goldstar Co. has not opened negotiations yet, but the sources said it is expected to use its branches in Budapest and Warsaw to sell PCs to the Soviet Union. The Warsaw branch is to open this month.

Daewoo Electronics Co. is expected to export PCs to the Soviet Union soon, once some details such as export volume and means of payment are settled. Daewoo has already received orders from Soviet buyers for PCs.

The Soviet Union asked Korean PC makers some time ago to sell it PCs, but the Korean companies were unable to do so as long as COCOM was obdurate. PCs and video cassette recorders were designated by COCOM as strategic items.

The sources said the Soviet Union has a high potential for PC exports while East European countries are thought to have higher demand for household appliances such as TVs rather than PCs.

Further Reportage on Political Restructuring

U.S. Envoy's Comments Criticized

SK0202225190 Seoul HANGYORE SINMUN in Korean 2 Jan 90 p 6

[Editorial: "Is a 'Grand Coalition of Conservatism' Inevitable?—Ambassador Gregg's Incorrect Perception of Realities"]

[Text] Having been assigned to Korea as U.S. ambassador after difficulties in being confirmed by the U.S. Congress, on 30 January [Donald] Gregg made remarks which strongly gave the impression of "interference in internal affairs." [sentence as published] When he called on Pak Tae-chun, chairman of the Democratic Justice Party [DJP], he said, "I think that political realignment is sort of inevitable in view of political realities of Korea" and "I have felt that Korean politics is changing from a regional basis to a philosophical basis." He added that "since there is a feeling that people in the Cholla Provinces are excluded, it is necessary to include them in the trend."

The remarks which the ambassador who represents the U.S. Government openly made to the chairman of the ruling party included such strong words as "inevitable" and "necessary." Besides this, it would be correct to look upon his remarks as an official view of the United States toward a "grand coalition of conservatism," in that his remarks are an undisguised appraisal of the tenor of realignment of the Korean political structure.

It is obvious that Ambassador Gregg is not truly aware of how Korean democratic forces are criticizing the grand coalition system of conservatism to be led by the Democratic Liberal Party formed from the DJP, the Reunification Democratic Party, and the New Democratic Republican Party, or he is trying to turn away from this criticism even though he is well aware of it. What would become of the Republicans and Democrats in the United States if they were to merge without asking their supporters or voters what they thought of the merger? There would never be a reaction such as unconditionally following a decision because it is a "nation-saving decision." Ambassador Gregg must be aware that the Korean masses generally have a higher political consciousness and are more progressive than the conservative people of the United States. Since the collusive union of the three parties was made public, many people have strongly criticized it as a "political coup d'etat" between the military dictatorial forces and the two opposition parties.

Behind Ambassador Gregg's concept that political realignment is inevitable there might be ideas about the vested rights the United States enjoys in Korea. The regimes that have existed since a separate regime was established in South Korea in 1948 have faithfully spoken for the interests of the United States under its protection. The Sixth Republic is no exception. The No Tae-u regime, which failed to secure supremacy over the National Assembly, may have been seen as a "weak regime" by the United States. A gigantic ruling party made up of conservative parties would be necessary for the United States to exercise a political, economic, and military influence over South Korea and to maintain its vested rights even after a phased reduction of its troops.

We can hardly know what Gregg, an "expert in manipulation" who worked for the U.S. CIA for nearly 30 years, did behind the scenes of the merger of the three parties. At the very least, he must be aware that the grand coalition of conservatism is faced with the fierce resistance of democratic forces and that foreign forces which support the collusive union of antidemocratic forces will also receive harsh criticism.

Kim Sang-hyon To Join PPD

SK0302022290 Seoul THE KOREA TIMES in English 3 Feb 90 p 2

[Text] Kim Sang-hyon, a propounder of the unity of the opposition forces, yesterday indicated his intention to join the Party for Peace and Democracy [PPD] led by Kim Tae-chung.

Kim Sang-hyon leads some members of the Reunification Democratic Party [RDP] who resisted crossing the floor to join a new governing party to be created through the merger of the ruling Democratic Justice Party [DJP], the RDP and the New Democratic Republican Party [NDRP].

He laid bare his intention after a tete-a-tete with Kim Tae-chung at the latter's house in Tongkyo-dong.

After his talks with the PPD president, Kim Sang-hyon told reporters, "The opposition unification should achieved with the PPD playing the major role."

Dissolution of DJP Analyzed

SK0602050090 Seoul THE KOREA HERALD in English 6 Feb 90 pp 2, 5

[News analysis by staff reporter Yi Song-yol—"DJP Gradually Transformed for Democratic Reforms"]

[Text] The Democratic Justice Party [DJP] resolved Feb. 1 to dissolve itself and merge with two opposition parties, with its dissolution in a sense the final step in liquidating the Fifth Republic legacies.

Since its inauguration in January 1981 under the leadership of Chon Tu-hwan, the following nine years of the DJP have been marred by various irregularities, suppression of human rights and, in a word, authoritarian rule.

But the ruling party has long been outside, not in the core of, the power of the governments of Chon and No Tae-u.

The implications of the nine-year history of the DJP could simply be seen in the fact that not a single DJP lawmaker has yet expressed his opposition to the party's dissolution and the three-party merger.

During the seven-year rule of ex-President Chon, the DJP was identified with his authoritarian regime, which was established abruptly and unexpectedly in 1980 shortly after Pak Chong-hui was assassinated, frustrating the popular move for democracy dubbed "the Seoul spring."

During those years, Chon's military regime, and the DJP as well, was haunted by the "original sin" of the 1980 Kwangju massacre and often attacked as a "party that should not have been born," but it gained some credibility following 1987 presidential election and the inauguration of the No government.

The DJP, however, was reduced to a minority party when it failed to get a majority of the National Assembly seats in a parliamentary election in April 1988.

Under the unprecedented political framework during the last two years, the DJP often found itself unable to do anything without the cooperation of at least one of the three opposition parties—the Party for Peace and Democracy [PPD] and the Reunification Democratic [RDP] and New Democratic Republican [NDRP] parties, led by Kim Tae-chung, Kim Yong-sam and Kim Chong-pil, respectively.

And what is worse, the DJP has no candidate matching the three Kims for the next presidential election.

Defeat in the presidential election expected in early 1993 means that the DJP would fall to an opposition party, giving up all its established privileges.

A parliamentary cabinet system is deemed desirable since the party could remain in power even in a coalition government. But introduction of the cabinet system would require approval of two-thirds of the total 299 assemblymen, and the DJP, with 127 seats, urgently needs cooperation from the opposition.

This produced the idea for dissolution of the party and merger with the RDP and the NDRP, leaving the PPD as virtually the sole opposition.

The idea matched Kim Yong-sam's political ambition to grasp power, and established political coexistence.

Looking back, the good old days of the DJP were the years before the hawkish opposition New Korea Democratic Party [NKDP] was born, garnering surprising results in the Feb. 12, 1985 Assembly election.

The NKDP was headed by Kim Yong-sam and Kim Tae-chung, who were politically revived, and was a burden for Chon's regime and the DJP because it strongly called for a direct presidential election system to replace the electoral college system which was intended for extended military rule.

During the years before the NKDP was inaugurated, the DJP, along with the pseudo-opposition Democratic Korea Party and the Korea National Party, was but an ornament of Chon's rule which wanted to look as if it were performing parliamentary politics.

Discarding popular desire, Chon declared on April 13, 1988 that there would be no constitutional revision till a transfer of power, causing nationwide protests in June that year.

To silence the 10 days of demonstrations, Chon once considered using military force, but No chose to accept the popular wishes with his June 29, 1987 democratic reform announcement.

With the announcement, considered a white flag to the people, the DJP was revived and No was able to succeed Chon, defeating the three Kims in a direct presidential election six months later.

It may be premature to make a historic judgment on the political value of the DJP, but is certainly a historic lesson that the nation should never again allow the birth of a political party lacking in viability and love of democratic ideals.

NDRP Disbands To Join New Party

SK0602053290 Seoul THE KOREA TIMES in English 6 Feb 90 p 2

[Text] The minority opposition New Democratic Republican Party [NDRP] yesterday formally dissolved to allow a merger with the parties of President No Tae-u and another opposition leader Kim Yong-sam to found a new party.

The NDRP's disbanding took place two years and three months after its founding on Oct. 30, 1987, by Kim Chong-pil, former prime minister and No. 2 man in the regime of the late president Pak Chong-hui, leading the Democratic Republican Party.

The resolution was adopted at the national convention held at the annex building of the Sejong Cultural Center, with 1,500 NDRP lawmakers and members attending.

The convention agreed to leave all authority for the merger to the party affairs conference.

In his address, NDRP head Kim said, "The current four-party system has been able to achieve nothing because of the extreme regionalism over the past two years."

He advocated the creation of a new governing party, saying, "For another economic take-off and the realization of democracy and national unification, there is a need for all conservative forces to unite."

Kim Tae-chung 'Isolation' Deepening

SK0402054990 Seoul THE KOREA HERALD in English 4 Feb 90 p 2

[By staff reporter Yu Kun-ha]

[Text] The political isolation of PPD [Party for Peace and Democracy] President Kim Tae-chung appears to be deepening as pressure comes from all directions to cast him outside the main stage of politics.

The new ruling side has good reasons to isolate the intransigent opposition leader. As it is evident that Kim plans to oppose whatever moves the envisioned new ruling party makes, it will want to silence him more than anything else.

To cope with the move, imaginary or actual, against him, Kim desperately needs to rally all opposition forces behind him. But his efforts in this direction seem to be meeting with hostility rather than sympathy.

Extra parliamentary groups have been major source of strength for Kim. When he reached out to these groups for help, however, Kim was answered by demands to step down.

Kim's hinting at his willingness to accommodate collective leadership within the PPD is a gesture toward these groups. Although a painful decision for Kim, who strongly believes that apolitical party should be led by a single person, it is unclear how many new elements the gesture will bring under Kim's banner.

Kim also faces hostility from a small group of politicians who refused to be absorbed into the new ruling party and follow their leader Kim Yong-sam.

They unequivocally declared their distaste for Kim, arguing that his existence is a hindrance to the creation of a unified opposition front.

Confronted with all these obstacles, Kim is undisturbed, at least on the surface. He has stated with confidence that the public does not want him to retreat from the political forefront.

He has also showed confidence in transforming the PPD from a regionally-based party into a nationally-based one by drawing in new elements from diverse sources.

In gathering new forces, he made it clear that he would open the door only to "middle-of-the-road" politicians and would not welcome advocates of radicalism.

This qualification would help Kim dilute his own radical image. But at the same time it would limit the scope of possible supporters of the PPD.

Moreover, Kim would face more difficulties because of the political maneuvering of the new ruling party. Indications are that the new party would intentionally support the self-professed progressives who have been moving to found a political party on their own.

The inauguration of a progressive opposition party would erode the power base of the PPD, which takes on a progressive color in comparison with other political parties.

In addition, it is highly likely that the residual forces of the disbanded RDP [Reunfiication Democratic Party] would set up another opposition party in a bid to provide a focal point to opposition groups from the non-Cholla provinces. This would also weaken the voice of the PPD, which consoled itself with the status of being the only opposition party in case of the eventual creation of a new ruling party.

Kim's authority has also been challenged by lawmakers of his own party. Although few in number, the lawmakers put forward an argument Kim could not disregard. They demanded that Kim make the sacrificial act of stepping down to transform the PPD into a genuinely national party.

They pointed out that Kim is doing as much harm as good to the party by alienating democratic figures who despise him for one reason or another. Kim countered this argument with the pledge that he would never again commit the folly of retreating irresponsibly. He believes that there is still a political role he must play—leading the struggle against undemocratic forces dreaming of a one-party dictatorship.

But many political analysts believe that the time has passed for Kim's stereotype of dichotomy between democratic and antidemocratic groups.

No's regime has carried out, though limited in scope, democratic reforms. And the peace of reform is expected to accelerate as Kim Yong-sam is to take the helm of the new ruling party. Under these circumstances, a clear-cut dichotomy as seen by the PPD leader is hardly persuasive.

But as a politician who has spent most of his political life struggling against dictatorial regimes, Kim must find it difficult to adopt a new perspective and transform his political stance. These are his limitations, which differentiate him from his archrival Kim Yong-sam.

In retrospect, these limits were evidenced by Kim's rejection of No's proposal to form a coalition government. Kim might argue now that the proposal was fake, designed to avoid criticism that No has intentionally isolated the PPD and its leader.

But as he admitted, Kim formally received the proposal and turned it down on the groups that the PPD and the DJP have little in common in terms of ideology, power base and other basic aspects which determine the characteristics of a political party.

RDP, Independents for Opposition

SK0302035290 Seoul THE KOREA HERALD in English 3 Feb 90 p 2

[Text] A strong move is being made to form a new opposition party by several lawmakers of the opposition Reunification Democratic Party [RDP] who refuse to join the envisioned new ruling party.

Yi Ki-taek, an RDP vice president who leads the lawmakers, said yesterday more than 12 RDP lawmakers, two independent and several Party for Peace and Democracy [PPD] lawmakers will join the move, in order to form a new floor negotiation body before Feb. 19 when a special National Assembly session is to convene.

As of yesterday, five RDP lawmakers had declared they will not join the proposed new ruling party to consist of the RDP, the ruling Democratic Justice Party [DJP] and the minor opposition New Democratic Republican Party.

They are Reps. Yi, No Mu-hyun, Kim Chong-kil, Kim Kwang-il and Chang Sok-hwa. Former opposition lawmakers Kim Hyun-kyu, Hong Sa-tok, Chang Ki-uk, and independent lawmakers Pak Chan-chong and Yi Chol have also declared they will join the move to form a new "genuine" opposition party.

Sources said more senior RDP lawmakers, including Choe Hyung-u, Kim Chae-kwang, Sin Sang-u, Kim Tong-chu and Pak Chong-yul will soon declare their intention of joining Yi Ki-taek, possibly by early next week.

Yi is also contacting some PPD lawmakers, such as Chong Tae-chol Yi Hae-chan and Cho Yun-hyong, to persuade them to join the new party.

Twenty lawmakers are needed to form a floor negotiation body, and sources said it would be difficult for Yi and other defiant opposition lawmakers to form one by Feb. 19.

The new ruling party being formed, tentatively named the Democratic Liberal Party, is seeking to advance its inauguration to as early as Feb. 15 to help prevent more defections of incumbent lawmakers and chiefs of local party chapters.

Meanwhile, Rep. Yi Ki-taek and seven other defiant figures yesterday met to form a "preparatory council for the new opposition" and opened an office in Youido.

Lawmakers 'Pushing' for Opposition

SK0402034290 Seoul THE KOREA HERALD in English 4 Feb 90 p 2

[Text] Independent lawmakers Yi Chol and Pak Chan-chong yesterday declared that they would push for the inauguration of a new opposition party that would be joined by a number of mavericks from the RDP [Reunification Democratic Party] and PPD [Party for Peace and Democracy].

Meeting with a group of reporters at a Seoul hotel, the two, who bitterly denounced the opposition split shortly before the presidential election in 1987 and demanded a single opposition presidential candidate to put an end to what they described as the "militaristic dictatorship," said that the three-way merger of conservative political forces is nothing more than "a marriage of convenience' among undemocratic forces aimed at perpetuating the military-backed dictatorship.

"To meet the demands of the times, we have decided to inaugurate a genuine opposition party which will eventually struggle against the ill-intended conservative political group placing their partisan interests above the national interest running counter to the spirit of the times," said Yi.

Also attending the press conference were about 30 defiant lawmakers from the RDP and PPD as well as district chapter leaders of the two opposition parties to be merged with the DJP.

They include Yi Ki-taek, floor leader of the RDP, who bolted from the RDP earlier this week; RDP Vice Presidents Kim Sang-hyon and Kim Hyon-ky; RDP lawmakers Kim Chong-kil, No Mu-hyon, Chang Sok-wha and Yi Sin-pom.

The group of opposition members will open their office in Youido Monday [5 Feb] to prepare for the inauguration of the new opposition party.

DJP 'Dispute' in New Party

SK0402045890 Seoul THE KOREA HERALD in English 4 Feb 90 p 2

[From the "News Analysis" column by staff reporter Kang Song-chol: "DJP Factional Dispute May Hamper Unity or New Party—Pak Chol-on's Role Draws Attention"]

[Text] The ruling Democratic Justice Party [DJP] is creation of a new party through its merger with two opposition parties.

Discord seems to exist between leading figures behind the political realignment and those who think they have been left out of the process.

The trouble at the moment is not so serious as in the Reunification Democratic Party [RDP] where several party lawmakers have declared a boycott of the Democratic Liberal Party, the projected new party.

But discordant views among key party members may develop into serious feuding, undermining the unity of the new party.

The unharmonious relations are such that they exchanged harsh words during a recent Chongwadae meeting designed to create solidarity among party members.

At present, influential party figures may be grouped into two camps: those who played leading roles in the three-party merger and others.

The former group, consisting of mainstreamers, is represented by Chairman Pak Tae-chun, Secretary-General Pak Chun-pyong and First State Minister for Political Affairs Pak Chol-on. Their opponents include Reps. Yi Chong-chan, Yi Han-tong and Yi Chun-ku, who once served as key postholders of the party.

Former Secretary-General Yi Chun-ku has boycotted all of the party's official functions since the announcement of the three-party merger Jan. 22. There is even talk that he might retire from politics.

He is said to have been dismayed by the fact that he was given a minor role in pushing the political realignment. One of the chief party negotiators behind the settling of the controversy over Fifth Republic irregularities, he may also feel that he had been exploited.

For similar reasons, former floor leader Yi Han-tong has been showing his displeasure at the political restructuring.

By going on a one-week tour abroad immediately after the announcement of the three-party merger, Yi indirectly expressed his reluctance to offer assistance in inaugurating the new party.

Other disgruntled DJP lawmakers include Yi Chong-chan, long considered one of the party's standard-bearers.

He now may feel concerned that his influence and status may be threatened in the new party which will have such big-name politicians as Kim Yong-sam and Kim Chong-pil.

But Yi is expected to adapt himself to the new situation, and try to form his own faction in the new party.

Party officials are saying it is an open secret that Pak Chol-on played a crucial role in pressing for the political realignment.

He was harshly criticized by his opponents last year with regard to work to eliminate negative Fifth Republic legacies, but through maneuvers for the merger, he has proved that he still exercises considerable political influence.

It is generally believed that Pak will continue to play an active role in the new party, though it remains to be seen whether he will actually form his own faction.

Chairman Pak Tae-chun did not play such an active role as Pak Chol-on in the political realignment, but he will likely become a member of the new party's leadership council.

President No Tae-u may entrust him with the task of maintaining the unity of the current DJP lawmakers to check the influence of Kim Yong-sam, Kim Chong-pil and their followers in the new party.

Since his appointment early last month, Secretary-General Pak Chun-kyong has also been steadily expanding his sphere of influence.

RDP VP May Join Opposition

SK0302034090 Seoul THE KOREA HERALD in English 3 Feb 90 p 1

[Text] RDP [Reunification Democratic Party] Vice President Kim Sang-hyon, who chose to remain an oppositionist rather than follow his boss Kim Yong-sam, is expected to join the PPD [Party for Peace and Democracy].

Kim called on PPD leader Kim Tae-chung yesterday to discuss the reintegration of divided opposition forces. The two agreed to make joint efforts to achieve opposition unity, although they differed on the means to do so.

The former's visit to Tonggyo-tong, although ostensibly designed for a discussion, signifies his intention to come back under the banner of Kim Tae-chung to whom he was once the closest aide.

The RDP vice president, who is from Cholla province, defected to Kim Yong-sam's faction before the 1987 presidential election after a feud with Kim Tae-chung.

His reconciliation with his former boss is a morale boost for the PPD which has been endeavoring to absorb the residual group of the RDP. If Kim Sang-hyon joins the PPD, it will be with a small group of followers who are from his province.

In their meeting, the two Kims shared the view that the merger of the DJP, RDP and NDRP [New Democratic Republican Party] is a regrettable event which disturbs political stability and deepens regional antagonism.

Although they both emphasized the urgency to unite divided opposition groups, they differed on how to do it.

The PPD leader suggested that he would give a certain share of power to the RDP residual group if it joins the PPD, while the RDP vice president insisted on a one-to-one merger of the PPD and the remaining RDP faction.

After the talks, Kim Sang-hyon said he pointed out to the PPD leader that the latter's suggestion of a collective leadership is not a sufficient inducement for him and other leftover RDP officials.

He also said he asked Kim Tae-chung to come up with plans to transform the PPD come up with plans to transform the PPD from a regionally based party into a more broadly based party.

The RDP official pledged efforts to achieve opposition unity together with the PPD and rejected as undesirable the call for Kim Tae-chung to step down to clear the way for a unified opposition front.

'Mavericks' Boycott Merger

SK0302035490 Seoul THE KOREA HERALD in English 3 Feb 90 p 2

[Text] Rep. Chang Sok-hwa, another young RDP [Reunification Democratic Party] lawmaker from a Seoul constituency, yesterday joined a group of mavericks boycotting joining a new conservative party.

Chang, who took a wait-and-see attitude for some time, announced his decision not to join the new party but remain in the RDP at a press conference hurriedly called at a downtown hotel.

"Antidemocratic forces, taking advantage of the split in the opposition camp, are trying to monopolize power for good, running counter to the spirit of the times," said Chang, who until recently showed a sign of joining the new party.

Pledging to struggle in the interest of workers, farmers, the urban poor and other alienated masses, Chang denounced the birth of the new conservative party as a "betrayal of the people and history."

In the meantime, Rep. Choe Hyong-u, former floor leader of the RDP, and thought to be one of the most trusted aides to Kim Yong-sam, president of the RDP, was reportedly considering joining the opposition forces resisting the new party.

More recently, Rep. Kim Chae-kwang, vice speaker of the National Assembly as well as a senior member of the RDP, expressed through his aides his intention not to join the new party.

Indications are that at least 10 lawmakers from the RDP will join the new opposition forces.

Thus far, No Mu-hyon, Kim Chung-kil, Kim Kwang-il and Yi Ki-taek have declared they will not join the new party.

Although the defection of some lawmakers from the RDP has long been expected, the growing number is interpreted as a big setback for Kim Yong-sam.

Economic Policy Shift With Merger

SK0602051490 Seoul THE KOREA TIMES in English 6 Feb 90 p 6

[Editorial: "Economic Policy Shift at Issue"]

[Text] Recent reports have it that the projected gigantic governing party, tentatively dubbed the Democratic Liberal Party, is considering shifting the government's economic policy priority from the welfare of the masses through fairer income distribution to the promotion of economic growth.

Accordingly, discord is being heard as to whether fair income distribution or growth is the government's basic economic policy among economic policymakers of the administration and the ruling party.

Chief policymakers of the three parties to be merged into a grand governing party reportedly favor shifting the economic policy guideline in a drastic effort to overcome the current economic plight, which is termed even a crisis by government economists.

Some critics contend that the government economic policymakers have thus far failed in adopting any clearcut policy direction by taking an equivocal position on fair distribution and growth in policy priority, confusing industrial circles.

From this viewpoint, it may be concluded that a strong growth-led driving policy is desirable at this juncture so as to stimulate entrepreneurs' desire to invest and also employees' desire to work hard.

To recall, the nation's economy has been in recession since last year, due largely to the people's repaid demands during the wave of democratization for substantially more welfare and a greater share of pie represented by economic gains.

The conservative ruling party generally sides with the policy lines of large-scale industrial concerns, symbolized by the federation of six economic organizations, including the Federation of Korean Industries.

Noteworthy are recent suggestions made by Rep. Pak Tae-chun, chairman of the ruling Democratic Justice Party, that such impending economic reforms as the introduction of the concept of land ownership for public use and the real-name system for financial transactions be slowed down and their strictness eased for the benefit of wealthy people.

On the other hand, government economists, including officials at the Economic Planning Board, reportedly share the view that there are strict limitations to pump-priming policies which are likely to fan an inflationary spiral in view of the already threatening price movement.

They also view that it would worsen the inflationary spiral if business-invigorating funds were released with interest rates further lowered, in addition to the sharp increase in the money supply toward the end of last year.

The government policymakers even warn that many workers and low-income earners would be instigated to engage in another round of radical labor disputes, feeling frustration if the government should delay the implementation of its economic reforms.

As economic policy shifts need utmost prudence to persuade the people of their value, politicians are advised to refrain from expressing their individual views at random only to confuse the people and government officials in the pursuit of consistent, effective policies, though policy coordination between the administration and the government party is undisputedly necessary.

Above all, the government is urged to reorient consistent and effective policies so as to encourage all economic partners, entrepreneurs and employees, to renew their resolve to weather the current plight. In this context, growth potential is expected of economic stability devoid of inflation and in the real interests of the people.

All economic problems including labor disputes in connection with demands for wage hikes, and the won's sustained appreciation can be solved by the joint efforts of the government, employers and employees only if they succeed in reaching mutual understanding and harmony by dissipating mutual distrust resulting from interest conflicts.

Dissident Yi Pu-yong Released 5 February

SK0502080690 Seoul YONHAP in English 0738 GMT 5 Feb 90

[Text] Seoul, Feb. 5 (YONHAP)—A well-known South Korean dissident, sentenced to 12 months last April for contacting North Korean officials in violation of the National Security Law, was released Monday afternoon [5 February].

The Seoul District Appellate Court said that since Yi, 48, had been under arrest for more than one year, including the period of detention before the sentence was meted out on Feb. 1, it had accepted defense lawyers's request that Yi be set free.

President No Tae-u and former opposition leaders Kim Yong-sam and Kim Chong-pil agreed Saturday to release Yi, a co-chairman of the dissident group Chonminnyon (The National Movement for Democracy and Unification) and other dissidents behind bars in a gesture of national reconciliation.

'Chronic Inflation' Feared for National Economy

SK0402054690 Seoul THE KOREA HERALD in English 4 Feb 90 p 6

[By staff reporter Sin Yong-su]

[Text] Korea's current economic troubles may aptly be described by an old saying, "Misfortune doesn't come only once."

While Korean government officials are desperately looking for ways to boost sluggish exports, they find another major headache confronting them—resurgence of inflation.

Commodity prices rose 1 percent in January alone on a retail basis, the highest monthly gain since 1981 when the nation was still recovering from the shock of the assassination of President Pak Chong-hui in October of 1979 and the ensuing economic and political turmoil.

January's inflation has brought into question the government's goal of checking this year's inflation rate at the 5 to 7 percent.

Officials of the Economic Planning Board [EPB], the nation's top economic planning agency, admitted that if this trend continues, this year's inflation rate may go well beyond 10 percent.

The EPB officials, like officials of other economic ministries, are taking seriously the January figure—for good reason.

Specifically, there is a widely-held perception that it may not be a transitionary phenomenon but a signal of the beginning of a prolonged era of inflation, something like that of the late 1970s and early 1980s when the nation's inflation rate hovered to the double digits.

As a counterstep, the EPB announced a package of powerful inflation-fighting measures last week, while making public January's inflation figure.

According to the package, the government will soon substantially lower telephone charges and city gas and electricity rates and restrict other public utility charges.

And, the EPB package said, thorough tax investigations will be launched into business establishments which earn excessive profits in violation of the government's guidelines.

And the government will start a national campaign to stem the current spending spree which the EPB officials said has fueled inflation.

But the inflation-fighting steps were dismissed by local news media and general people as "short of expectations."

Reacting to such popular criticism, EPB Minister Cho Sun, also deputy prime minister, admitted that there are limits to the government's efforts to battle inflation under a free, democratic system.

The college professor-turned bureaucrat said that the situation has changed markedly from the authoritarian regime of the past.

"An authoritarian regime was in a better position to cope with an economic crisis because it could resort to unpopular, sometimes undemocratic means, at will," Cho said. "But in a democratic system, the government cannot do so."

Asked if this year's inflation goal will be attained, Cho avoided a straightforward reply, only saying that it depends on whether people back the government's inflation-fighting efforts.

There are different views on the cause of January's high inflation.

The EPB officials attributed it primarily to seasonally increased demand in the run-up to the Lunar New Year's holiday, one of Korea's biggest national holidays.

They also blamed excessive expansion of the money supply last year as an economy-boosting step which fueled January's steep rise in commodity prices.

But private economists and entrepreneurs alike say that Korean laborers are just now paying the price for their steep wage hikes over the past two years, which in turn touched off the current consumption boom.

Korean workers' wages doubled on average over the past two to three years, outpacing the industrial productivity gain, largely as a result of their sometimes violent labor movement.

Rapid wage hikes led to explosive demand for high-priced industrial goods and some food products which had previously been affordable only for affluent people.

It resulted in a shortage of supplies which in turn led to inflation, they said.

Korean workers might have been pleased at their higher pay checks at first. But they must now be feeling that their pay checks won't go as far, because of the resurgence of inflation, something they might have been oblivious to during their pursuit of high wages, they said.

Inflation has virtually reduced the purchasing power of their wages, the economists noted.

One striking example might be real estate, particularly houses whose prices rose two to three times during the past two-and-a-half years.

Housing prices jumped so much that many workers have reportedly given up hope of owning their own houses and instead have gone on a spending spree.

The high housing prices have changed the consumption pattern among young people. In the past, people usually bought cars after they bought houses. Now, people first buy cars.

Making it tougher on the government's inflation-fighting efforts, they say, is the widespread inflationary psychology—a popular sentiment that prices are doomed to rise because money becomes easier to get.

Fueling such inflationary psychology are scheduled elections this year through 1993—local council elections this year general National Assembly elections in 1992 and the presidential election in early 1993.

The general observation is that the money supply will sharply expand during the election period, which will lead to high inflation as was the case with past polls.

Signs of the government's wavering in its economic reforms plans, such as implementation of real-name financial transactions and public ownership of land, have also added fuel to the already high inflation psychology, particularly in real estate.

Amid widespread, though still unconfirmed, rumors that the proposed new ruling party will put off enforcement of the two controversial systems, prices of apartments in big cities have been surging in recent weeks.

The success of the government's inflation-fighting program, economists said, largely depends on whether it is able to curb such inflationary expectations among the people.

As part of this effort, the government has decided to freeze salaries of high government officials and state-invested establishments at last year's level.

But they said much more should be done, this time on the part of the people.

They said that the people must first perceive the seriousness of the nation's current economic hardships and be ready to tighten their belts to help the nation ride out the looming crisis.

Labor Activist Receives Heavier Jail Term

SK0402025890 Seoul THE KOREA TIMES in English 4 Feb 90 p 3

[Text] Taegu—An appellate division of the district court here yesterday handed down the ruling that the free democratic system takes precedence over academic freedom.

Based on the ruling, Senior Judge Son Che-hui sentenced Choe Yun-yong, 29, a labor activist charged with violating the National Security Law, to a prison term heavier than that he got in his first trial.

Choe was accused of receiving a "seditious" book introducing Communist organization tactics from a person in the audience on Oct. 16 during the performance of a play designed to collect money for the setup of a laborers' library on the Kyongbuk National University campus here.

Then Choe displayed the "pro-Communist" book at the office of the Progressive Political Union in Pisan-tong so that activist workers frequenting the office could read it. He also xeroxed the book in his attempt to disseminate the Communist tactics, according to the charges.

He was arrested by police on May 21 last year for possessing several copies of the seditious book.

Choe, organization department chief of the progressive union's Taegu chapter, was sentenced to six months in jail plus the same period of civil rights suspension in the first trial.

Claiming his conviction is a grave violation of academic freedom and freedom of thought, Choe carried the case to the appellate tribunal at the same district court only to be given a heavier sentence—a 10-month imprisonment plus one-year civil rights suspension.

In the ruling, presiding judge Son said, "We cannot allow his actions committed in the name of academic freedom to overthrow the free democratic system, even though we admit that freedom of thought is one of the basic rights that should be guaranteed fully."

Burma

Thai Delegation Holds Meetings, Concludes Visit

Signs Memo on Trade Commission

BK0202144190 Rangoon Domestic Service in Burmese 1330 GMT 2 Feb 90

[Text] The visiting Thai good-will delegation led by Mr. Phong Sarasin, deputy prime minister, and accompanied by U Nyunt Swe, Myanma [Burma] ambassador to Thailand and Mr. Thongchan Chotikasathian, Thai ambassador to Myanma, called on Rear Admiral Maung Maung Khin, minister of mines and energy, at 0900 today in the reception hall of the Ministry of Mines on Merchant Road to hold cordial and frank talks on mineral and energy matters.

The meeting was also attended by departmental heads from the Ministry of Mines and the Ministry of Energy.

The visiting Thai delegation accompanied by the above-mentioned officials also called on Major General Tin Tun, minister for transport and for labor and social welfare, at 1000 today at the reception hall of the Ministry of Transport for cordial talks on matters of mutual interest.

This meeting was attended by Dr. Tin Hlaing, director general of the Department of Water Transport of the Ministry of Transport, and Lieutenant General Kyaw Than, special officer on duty at the Ministry of Transport.

Thai Deputy Prime Minister Phong Sarasin and his delegation, including Dr. Subin Pinkhayan, Thai minister of commerce, then called on Colonel Abel, minister for planning, finance, and trade, at 1045 today at the Ministry of Trade on Strand Road for cordial and frank discussions on bilateral trade matters.

This meeting was attended by U Maung Maung Kyaw, director general of the Directorate of Trade; U Ohn Gyaw, director general of the Ministry of Foreign Affairs; U Min Aung, director general of the Ministry of Finance and Planning; U Nyunt Swe, Myanma ambassador to Thailand; Mr. Thongchan Chotikasathian, Thai ambassador to Myanma; and responsible officials.

At 1100 a memorandum of understanding on the formation of a joint Thai-Myanma trade commission was signed by Col. Abel and Mr. Subin Pinkhayan.

Departs Rangoon 3 Feb

BK0302140690 Rangoon Domestic Service in Burmese 1330 GMT 3 Feb 90

[Text] The visiting Thai good-will delegation led by Mr. Phong Sarasin, deputy prime minister, and his wife left Yangon [Rangoon] by air this evening after visiting Myanma as state guests.

The visiting deputy prime minister, his wife, and delegation were seen off at the airport by Rear Admiral Maung Maung Khin, member of the State Law and Order Restoration Council [SLORC] and minister for mines and energy, and his wife; Brigadier General Khin Nyunt, SLORC secretary-1, and his wife; Colonel Abel, minister for trade and for finance and planning, and his wife; U Nyunt Swe, Myanma ambassador to Thailand, and his wife; and Mr. Thongchan Chotikasathian, Thai ambassador to Myanma, and his wife.

The guests were presented with bouquets of flowers by five young girls.

Editorial Notes Friendship

BK0602032690 Rangoon Domestic Service in Burmese 0140 GMT 6 Feb 90

[Text] Today's LOKTHA PYEITHU NEZIN editorial entitled "The Growing Myanma-Thai Friendship and Cooperation," says: A Thai delegation headed by Mr. Phong Sarasin, deputy prime minister of Thailand, paid a goodwill visit to Myanma between 1 and 3 February at the invitation of the Myanma Government. The main purpose of the visit to Myanma by the Thai deputy prime minister was to discuss the promotion of bilateral trade.

Myanma and Thailand have had a good tradition of bilateral friendship as well as economic cooperation in accordance with the open-door economic policy of Myanma. In addition to the improvement of the cross border trade, talks have also been held between the two countries on undertaking joint ventures.

There has never been a problem too large to be resolved by Myanma and Thailand. The two countries have related to each other with good-neighborly friendship. Although there have been minor issues concerning the common border, they were usually resolved through mutual understanding. There is also no outstanding problem between the two governments.

Myanma has related to all its neighbors in accordance with the saying: Prolong your love and curtail your hate. In doing so, Myanma has always adhered to the five principles of peaceful coexistence, respecting the sovereignty and territorial integrity of other nations while upholding the policy of nonaggression and noninterference in the internal affairs of other countries, equality, international cooperation, and peaceful resolution of problems. That is the reason friendship and cooperation between Myanma and Thailand have developed further.

Myanma has been practicing an independent and active foreign policy and has upheld friendship and mutual understanding as the key factor in relating with all countries, including neighboring nations. For this reason Myanma can maintain friendly and cordial relations with its neighboring countries.

In sum, the visit to Myanma by the Thai goodwill delegation headed by the Thai deputy prime minister

will strengthen the bonds of friendship, further develop bilateral economic relations on the basis of friendship, and promote mutual understanding and sympathy.

Cambodia

Phnom Penh Reports 1 February Battle Activities

BK0502122590 Phnom Penh Domestic Service in Cambodian 1100 GMT 5 Feb 90

[Text] According to a report from the 4th Military Region—with a high sense of responsibility for the future of the country, a sharpening spirit of struggle, and the experiences gained over the past 11 years—the Armed Forces in Varin District, Siem Reap-Oddar Meanchey Province have conducted activities outside the defense perimeter in the Sre Ampil area, killing six enemy soldiers, capturing three others with three guns, and seizing four guns.

The same source said that Banteay Meanchey Province's armed units launched on 1 February a joint mopping-up operation against remnants of the Pol Potist bandit group, northeast of Poar hill in Phnum Srok District. After a 30-minute battle, we killed 10 enemy soldiers on the spot and wounded many others.

Our Armed Forces and people throughout the country always see through the criminal maneuvers and activities which the three reactionary Cambodian groups perpetrate against the nation and people. At present, they continue their crimes in a number of areas in the western region of our motherland. Seeing this, our combined forces are upholding their determination to promptly defeat all of these foolish activities.

Villages 'Liberated' in Siem Reap District

BK0502011190 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 4 Feb 90

[Text] On 29, 30, and 31 January, our national resistance forces attacked and swept positions of the Vietnamese enemy and puppets along the road from Angkor Thom to Peak Snaeng and dismantled administrative networks in three communes—Angkor Thom, Peak Snaeng, and Chup—in Siem Reap District, Siem Reap Province.

We killed seven and wounded 15 Vietnamese enemy soldiers and puppets and destroyed a battalion position, seven company positions, three commune offices, two bridges between Angkor Thom and Peak Snaeng totaling 10 meters in length, and a quantity of other war materiel. We seized 10 AK's, seven SK rifles, and liberated 17 villages: Bampenh Reach Chas, Bampenh Reach Thmei, Spean, Trapeang Svay, and Ta Prok in Angkor Thom Commune; Sandan, Chup Soak, Peak Snaeng Chas, Peak Snaeng Thmei, Khting, Leap Thmei, and Leap Chas in Peak Sneng Commune; and Trapeang Tuk, Chup, Prasat, Toap Svay, and Pong Toek in Chup Commune. We also freed two Cambodian soldiers and many village officials.

Forces Dismantle Vietnamese Networks in Chhuk

BK0502011390 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 4 Feb 90

[Text] On 30 January at 0400, our national resistance forces raided and destroyed seven positions of the Vietnamese enemy and puppets at Damnak Snuol, Pong Toek, Pong Toek Khang Lech, Ang Duong, Trapeang Ang, Prey Phley, and Kamnap Villages, and dismantled administrative networks in three communes—Sre Khnong, Trapeang Reang, and Boeng Srange—in Chhuk District on Kampot battlefield.

We killed 28 Vietnamese enemy soldiers and puppets, wounded 42 others, and took two prisoners. We destroyed 10 B-40's and B-41's, five RPM's, 30 AK's, eight SK rifles, and a quantity of war materiel. We seized two B-40's, 24 AK's, eight SK rifles, four AR-15's, an RPD, and a quantity of various types of ammunition and liberated nine villages: Damnak Snuol, Tbeng Toap, Prek Khcheay, Prey Chek, Damnak Chheukram, Pong Toek, Prey Phley, Kamnap, and Khpop Run. We also freed 105 village officials.

On 31 January, the Vietnamese enemy and puppets gathered a number of their troops from Vat Chak and Vat Ang in an attempt to retake liberated positions and villages. However, they were ambushed and routed by our national resistance forces. We killed 16 enemy soldiers, wounded 14 others, and seized an AK and some ammunition.

On 1 February, the Vietnamese enemy and puppets gathered more of their troops from Chhuk township and Vat Chak to try to retrieve their comrades' bodies and again retake liberated positions and villages. However, they were again routed by our national resistance forces. We killed 12 and wounded 10 enemy soldiers and took 20 prisoners. We seized four AK's, an SK rifle, and a quantity of various types of ammunition and war materiel.

13 Villages 'Liberated' in Kompong Speu Province

BK0502031890 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 4 Feb 90

[Text] On 1 February, our national resistance forces attacked and demolished administrative networks of the Vietnamese enemy and puppets in Bar Set and Pou Mreal communes in Kong Pisei District [Kompong Speu Province] on southwest Phnom Penh battlefield.

We liberated 13 villages: Bar Set, Trapeang Phong, Sre Kouk, Chas, Boeng Sdok, Prey Khley Khpos, and Khna in Bar Set commune, and Krasang Thmei, Krasang Chas,

Prey Kralanh, Kralang, Khnao Muoy Daeum, and Trapeang Sangke in Pou Mreal commune. We also freed 120 village and commune officials and militiamen.

Indonesia

Reportage on Resumption of Ties With PRC

Murdiono on Relations

BK0602103190 Jakarta ANTARA in English 0912 GMT 6 Feb 90

[Text] Jakarta, Feb 6 (OANA-ANTARA)—Despite the results of negotiations between high officials of Indonesia and the People's Republic of China (PRC) in achieving an agreement in principle on technical matters for the resumption of diplomatic relations between the two countries, there is still an Indonesian debt settlement problem which needs to be followed-up.

Minister/State Secretary Murdiono made this remark at a working meeting with Parliament House Commission II chaired by R.K. Sembiring Meliala from the Armed Forces Fraction here Tuesday.

Apart from the problem on debt settlement, there are several new issues which could be finalized after resumption of diplomatic relations between the two countries, namely issuance of passports to PRC citizens in Indonesia, repatriation of PRC citizens and clandestine immigrants in Indonesia.

According to Murdiono, results of the said negotiations between high officials of the two countries will be further discussed at a ministerial level meeting at a time to be determined.

After direct commercial relations were implemented between the two countries in 1985, RI [Republic of Indonesia] export to PRC had increased continuously, Murdiono said.

RI export to PRC which was valued at 84 million dollars in 1985, has increased to about 139 million dollars in 1986, increased further to 343 million dollars in 1987, and has attained 492 million dollars in 1988.

RI import valued at 249 million dollars in 1985 has increased to 439 million dollars in 1988.

Normalization of RI-PRC relations is expected to give a positive impact on commerce, which amongst others the possibility of PRC granting preferential import tariff for Indonesian export commodities.

"If that could be done, RI export to PRC could be further increased," Murdiono said.

Embassy To Be Opened in Beijing

BK0502080190 Hong Kong AFP in English 0733 GMT 5 Feb 90

[Text] Jakarta, Feb 5 (AFP)—Talks to normalise ties with China have almost been completed, paving the way for the reopening of diplomatic missions in each other's capital this year, Indonesian Foreign Minister Ali Alatas said Monday [5 February]. Mr. Alatas told a parliamentary hearing the two countries had overcome all but one of the remaining technical problems and the next stage would be for the two foreign ministers to meet and set the date for full normalisation.

"We still don't know when, but it is fair to anticipate that this would happen this year," he said, adding that his ministry had earmarked eight billion rupiahs (4.4 million dollars) from its budget for the opening of an embassy in Beijing.

Indonesia froze diplomatic ties with China in 1967 after accusing Beijing of complicity in an abortive communist-backed coup attempt two years earlier.

President Suharto gave the go-ahead to the normalisation process last year after Beijing pledged not to interfere in Indonesia's domestic affairs.

A meeting of Chinese and Indonesian officials in Jakarta in December resolved almost all the technical details: numbers of embassy personnel, pre-1967 bilateral agreements and the question of the citizenship of stateless Chinese in Indonesia.

Mr. Alatas said one pending issue was Indonesia's outstanding debt to China from before 1967, and a small team would leave for Beijing soon to resolve this problem. He would then contact his Chinese counterpart, Qian Qichen, to discuss when and where to meet, he said, adding that their agenda would likely be to set the normalisation date.

Responding to an MP's [member of parliament] question about Indonesia's perception of potential external threats, Mr. Alatas said they would likely come from the North, stressing however that this did not necessarily mean China alone. This threat did not exist at present but it would come when the current equilibrium between the three military powers and one economic power dominating Asia was disrupted, he said. The minister did not name the countries but was apparently referring to the Soviet Union, the United States, China and Japan.

Laos

Vientiane Meeting Celebrates CPV Anniversary

BK0302122590 Vientiane Domestic Service in Lao 0000 GMT 3 Feb 90

[Text] Yesterday [2 February] afternoon, a grand meeting was held by the Lao People's Revolutionary Party Central Committee [LPRP CC] in Vientiane to

celebrate the 60th 3 February founding anniversary of the Communist Party of Vietnam [CPV] with the attendance of more than 1,000 distinguished civilian and military guests and Vientiane residents.

Attending the meeting as honored guests were Phoumi Vongvichit, Political Bureau member of the LPRP CC, acting president of state, and chairman of the Lao Front for National Construction [LFNC]; Phoun Sipaseut, Political Bureau member of the LPRP CC, chief of the LPRP CC Foreign Relations Board, vice chairman of the Council of Ministers, and foreign affairs minister; Sisavat Keobounphan, Political Bureau member and secretary of the LPRP CC, secretary of the party committee, and chairman of the administrative committee of Vientiane Municipality; Oudom Khatthi-gna and Choummali Sai-gnason, alternate Political Bureau members and secretaries of the LPRP CC; members of the LPRP CC; ministers and deputy ministers; members of the Laos-Vietnam Friendship Association Committee; and representatives of mass organizations. Nguyen Xuan and Long Kem, respectively ambassadors extraordinary and plenipotentiary of the SRV and the State of Cambodia to Laos; Vietnamese experts carrying out internationalist duties in Laos; and the delegation of the Science and Technology Commission of the SRV led by Prof. Dang Huu, member of the CPV Central Committee, which is currently paying a working visit to Laos, also attended the meeting.

Addressing the majestic ceremony on behalf of the LPRP CC, party members, workers, laboring people, and multiethnic people of Laos, Sisavat Keobounphan extended wholehearted salutations and congratulations as well as overwhelming solidarity and affection to the CPV Central Committee, all party members, workers, laboring people, and fraternal heroic people of Vietnam on the occasion of the 60th founding anniversary of the majestic and honorable CPV on 3 February. Sisavat Keobounphan went on to say:

[Begin recording] The founding of the Indochinese Communist Party [ICP] on 3 February 1930 constituted an event of great significance not only to the political life of the Vietnamese people but also to the fraternal Lao and Cambodian peoples who were then suffering the same fate caused by the colonialist system. Under colonial rule, the three Indochinese peoples suffered particularly severe hardships because their national pride was severely trampled and because they were cruelly and barbarously oppressed, exploited, and persecuted. Countless numbers of them also lost their lives at the hands of the foreign aggressors. That was why the three Indochinese peoples occasionally rose up to fight. Nonetheless, their revolts were eventually put down by the colonialists, thus putting off their hopes for victory.

However, after the founding of the ICP by President Ho Chi Minh, who applied Marxism-Leninism and the fruits of the victory of the Great October Socialist Revolution as the beacon illuminating the path of struggle, and thanks to such correct leadership, the three Indochinese countries managed to gradually score one victory after another in their struggles. [applause]

Working with a sense of creativeness, simultaneously carrying out activities and drawing lessons from them, and outlining strategies and policies in conformity with the reality in each period so as to guide the struggle of the Vietnamese people and those of the entire Indochinese peoples to score successive victories, the ICP scored a great victory in August 1945 after which the SRV was founded as the first worker-peasant state in Southeast Asia. Assessing that great victory, President Ho Chi Minh said that it was the first time in history when the revolution of a country become increasingly triumphant. [sentence as heard] The ICP—then only 15 years old—managed to score more and more successes for the revolution and to seize power throughout the country.

That event was a great victory not only for the Vietnamese people but also for the Lao and Cambodian peoples and all oppressed peoples under colonial rule throughout the world. Even though the great victory scored by the Vietnamese people in the August 1945 revolution in Vietnam and the declaration of independence for the first time by the Lao people in October 1945 constituted a painful defeat for them, the colonialists still refused to totally withdraw from Indochina. Instead, they once again returned to this region in an attempt to continue their aggression and to preserve and protect their own interests. Therefore, the Indochinese peoples had to continue struggling against the colonialists until they finally scored a great victory in the Dien Bien Phu Operation in 1954. That victory symbolized the beginning of the end of the colonialist system in Indochina. After carrying out the common struggles for more than 20 years following the founding of the ICP, the Indochinese peoples managed to gradually score one great victory after another. Thus, it became apparent to the Indochinese peoples that it was necessary for each country in the region to set up a party to lead its own people. As a result, the Kampuchean People's Revolutionary Party [KPRP] was established on 28 June 1951 and the LPRP on 22 March 1955. Even though these parties were set up separately for each country, the three fraternal Indochinese parties continued to render sincere assistance to one another on the basis of Marxism-Leninism and the pure proletarian internationalism. [applause] [end recording]

Sisavat Keobounphan added: After the colonialists were defeated and forced to withdraw from Indochina, the neocolonialist-imperialists jumped into this region to commit aggressions against and to interfere in the internal affairs of the Indochinese countries. He said: As known by everyone, the imperialists were a superpower country, militarily and economically powerful. The war the imperialists waged in Indochina was the most notorious war of aggression ever waged after World War II. They sent hundreds of thousands of troops into South Vietnam with the most sophisticated and modern weapons short of nuclear arms. In the struggle against the aggression and interference of the imperialists, the CPV

resolutely led [the Vietnamese people] to fight against the enemies for nearly 20 years until they managed to completely liberate South Vietnam in 1975 and to proceed to reunify the entire country afterward. In the meantime, under the leadership of the LPRP, [the Lao people] also scored a complete victory in the national-democratic revolution in Laos in the same year.

The process of evolution of the life of the ICP and the CPV cannot be separated from the political life of President Ho Chi Minh. President Ho Chi Minh was an outstanding revolutionary and patriot, a skillful and talented Marxist-Leninist, and a world famous theoretician. He trained, nurtured, and taught the ICP and the CPV to be a party which truly served the people. President Ho Chi Minh was the great leader of the Vietnamese people and a great, sincere, and faithful friend of the Lao people as well. All in all, the ICP and the CPV have scored achievements and have made important contributions to the national liberation struggles and the movements for peace, democracy, social progress, and socialism in the world.

Since the complete liberation of Vietnam, the CPV has continued to lead the people to defend and to build their own country along the socialist path, step by step. Particularly after the sixth CPV congress, the CPV has guided the Vietnamese people in carrying out the restructuring and reforms in Vietnam and in implementing the three major programs outlined at the [sixth] CPV congress. Over the past few years, the fraternal Vietnamese comrades have scored numerous glorious victories. The revolutionary forces in all fields have become stronger and more powerful. Development has been scored also in the economic field. In the past, [Vietnam] faced numerous difficulties in foodstuffs production. However, it has not only become self-sufficient in food production but is now able to export more than 3 million metric tons of rice [per year] to foreign countries. The production of essential goods for domestic consumption has been considerably developed. The production of goods for export has also increased. The living conditions of the people have been gradually improved. The people have become more confident and enthusiastic in participating in carrying out the tasks of national development and construction and national defense. National defense and public security maintenance work remains strong and firm. Social order has become more stable than before. At present, the CPV has been guiding the entire masses and Army in their persistent efforts to fulfill the 1990 plan so as to score achievements to welcome the 100th birthday of President Ho Chi Minh.

Having passed through the process of change in recent years, the CPV has drawn lessons from these changes and has managed to outline the principles for effecting new changes in all spheres of work.

The LPRP highly assesses the achievements scored by the CPV and regards these great victories as our own. The victories scored by the Vietnamese revolution as well as by the Lao and Cambodian revolutions have contributed to increasing the strength of the three Indochinese countries and to the movements for peace and stability in this region.

Stressing the traditions of solidarity and mutual assistance between Laos and Vietnam, Sisavat Keobounphan said: The special solidarity, great friendship, and comprehensive cooperation between the two parties and peoples of Laos and Vietnam have been forged amidst the flame of protracted struggle for national liberation and for national development and construction in each country. During the official friendship visit to the Lao People's Democratic Republic [LPDR] in July 1989 by the high-level CPV delegation led by Comrade Nguyen Van Linh, general secretary of the CPV Central Committee, the leaders of our two parties expressed tremendous satisfaction in seeing that the friendship, special solidarity, and comprehensive cooperation between the two parties, states, and peoples of Laos and Vietnam continued to grow brilliantly and incessantly to become one of the factors ensuring victories for the revolutionary cause of the people in each country.

Our beloved party leader, Comrade General Secretary Kaysone Phomvihan, said that maintaining solidarity with Vietnam has always been considered the implementation of a strategic line, the maintenance of a sacred sentiment, and the fulfillment of a noble and glorious international obligation of our Lao party, state, and people. Our entire party and people are determined to do our best, with all our energies, to defend and further strengthen the aforesaid special relations and sentiment, and not to allow any reactionary power to do harm to the sacred heritage that has been built and expanded by great President Ho Chi Minh together with the two parties and two nations over the past more than half a century. Comrade General Secretary Kaysone Phomvihan also said that so long as the Mekong River does not run dry, the high Truong Son mountains do not crumble to the ground, and the wide Hongha River does not become dry sand, the two fraternal hearts of Laos and Vietnam will continue to beat in unison.

In the new stage, it is even more necessary for our two parties and two peoples to further strengthen bilateral relations and mutual assistance. Regarding this, it is noted in the Laos-Vietnam joint communique issued in Vientiane on 4 July 1989 as follows: Under the new circumstances, in carrying out the revolutionary struggle, the people in each country have enjoyed many favorable conditions. But they have also faced many difficulties and new trials. The two sides stressed the necessity to consolidate, promote, and expand ever more effectively the traditional relations of friendship, special solidarity, and comprehensive cooperation between the two parties, two states, and two peoples—on the basis of the spirit of wholehearted mutual assistance in accordance with the principles of respect for each other's independence and sovereignty, equality, and mutual benefits to serve the interests of the peoples of the two countries and in the interest of peace, stability, friendship, and cooperation in Southeast Asia.

Sisavat Keobounphan noted in conclusion as follows: [Begin Sisavat recording] The coming 22 March marks the 35th founding anniversary of the Lao People's Democratic Republic [LPRP]. Throughout the past 35 years, our LPRP has overcome various difficulties and has experienced many precious lessons in leading the Lao revolution. Although our revolution has been faced with difficulties in certain fields, our party, state, and people have unitedly and securely safeguarded the new system. At the same time, work in the economic, educational, public health, cultural, and social fields has also been developed and expanded step by step. At present, our LPRP is in the period of leading the cause of effecting the reform and new changes in all respects in conformity with the spirit and contents of the resolutions of the fourth party congress, with a view to consolidating, perfecting, expanding, and strengthening the popular democratic system step by step on the path of socialism based on the application of Marxism-Leninism.

On the foreign line and policy, our party and the Government of the Lao People's Democratic Republic have consistently pursued the foreign policy of peace, independence, friendship, and nonalignment. We have supported the correct stand of the Government of the State of Cambodia, and we pledge to do our utmost in carrying out activities to contribute to settling the Cambodian problem through political means in order to create conditions for the Cambodian people to maintain their rights to self-determination and to enjoy peaceful and happy lives. Our party has agreed to the idea of turning Southeast Asia into a region of peace, freedom, friendship, cooperation, and free from nuclear weapons. Our party has supported all proposals of the Soviet Union as well as of other socialist countries and progressive countries in the world, which are aimed at safeguarding world peace and security and for peaceful coexistence and cooperation on the basis of the principles of respect for one another's independence, sovereignty, and territorial integrity; noninterference in one another's internal affairs; equality; and mutual benefits for the interests of all nations.

In conclusion, I wish the CPV and the fraternal Vietnamese people new, ever greater achievements in implementing the resolutions of the sixth party congress to mark the milestone of the new stage of the revolution—the stage of effecting new changes and reform in the economic, social, and political life of the country. [end recording]

Later, Ambassador Nguyen Xuan took the floor and delivered a speech to the rally. He said: [Begin Nguyen Xuan recording in Vietnamese fading into Lao translation] With persistence in overcoming various difficulties and obstacles, the CPV has proved its qualifications and capabilities to be worthy of serving as the revolutionary vanguard of the working class, laboring people, and the nation of Vietnam and as a heroic force of the international communist-worker movement. Over the past 15 years, the Vietnamese people, under the party's leadership, have scored many great achievements and victories in the cause of building socialism, defending the socialist country, and fulfilling their international obligations. Through achievements as well as shortcomings and mistakes in guiding the revolutionary cause in the previous 10 years, the sixth CPV congress in December 1986 reviewed many precious lessons and reiterated determination to comprehensively and integratedly effect new changes—first and foremost, the new change in concepts in all fields of social life, in particular the new change on the concept concerning the direction for socialist construction.

Implementing the resolutions of the party congress, our entire party and people have scored satisfactory achievements in many fields. The sixth and seventh plenary sessions of the party Central Committee reviewed lessons, acknowledged various achievements, and profoundly detailed various shortcomings and remaining problems that must be promptly settled. They reiterated the correctness of the direction for the new changes and adopted basic principles for guiding the comprehensive effecting of all the new changes in the economic, political, cultural, and social fields as follows:

Marxism-Leninism is always considered a basis and direction for all revolutionary activities. The socialist path is considered a consistent goal of the working class and the nationalities of Vietnam, a path which was selected by great President Ho Chi Minh—founder of the party and beloved leader of the nationalities—who, throughout his life, had led the entire Vietnamese party and nationalities to march forward. The party's leadership is not used as a privilege, but it is considered the decisive factor for all victories of the Vietnamese revolution and a historic cause that has been entrusted to the party to be fulfilled by the Vietnamese people of all nationalities and all strata. Socialist democracy is considered the genuine democracy of the laboring people under the party's leadership, and it is not democracy in form only. Revolution is considered a cause of the masses, and the people are used as the main force in carrying out all party revolutionary activities; and they must acknowledge, take part in discussions, and join in making decisions and supervising the promotion and expansion the people's rights to self-determination in accordance with President Ho Chi Minh's instruction. His instruction says, the party must be worthy of being the pure leader serving the people. Proletarian internationalism is considered a revolutionary sentiment, a militant solidarity among peoples of socialist countries, and a necessary factor for the revolutionary cause of the peoples of various nations who have been struggling for peace, national independence, democracy, and social progress, and it also combines the national strength with the epochal strength to guarantee victory of the revolution in each country.

Our party believes that to guarantee success in effecting the new changes, the entire party and people must profoundly understand these five principles. At the same time, the party itself must change its guidance and leadership to enable the cause of effecting the new changes to advance and achieve new victories.

We are elated to see that the multiethnic Lao people—under the clear-sighted leadership of the LPRP, which has outstandingly pursued the traditions of the former Indochinese Communist Party and which has organized and led all victories of the Lao revolution—have initially scored significant achievements in many fields in the cause of effecting new changes as put forth by the fourth party congress. We are firmly convinced that the multiethnic Lao people—with the patriotic spirit and the spirit of cherishing the new system, and under the creative leadership of their noble and glorious party headed by respected Comrade General Secretary Kaysone Phomvihan—will certainly be able to score even greater achievements in the cause of effecting the new changes and in implementing the two strategic tasks of defending the country and building socialism in the new stage.

We warmly welcome the achievements scored by the fraternal Cambodian people in their cause of survival; developing the country; defending and promoting the revolutionary gains; opposing the return of the genocidal regime; striving to achieve fair and reasonable means to politically settle the Cambodian problem; and building Cambodia into a peaceful, independent, neutral, and nonaligned country for the benefits of the Cambodian people and in the interest of peace and stability in the region.

On the occasion of the celebration of the great and historic day—the founding anniversary of the CPV—on behalf of the CPV and the entire Vietnamese people, we would like to express sincere and profound gratitude to the LPRP and all multiethnic Lao people for sharing weal and woe, fighting shoulder to shoulder, and together scoring victories in the past cause of national liberation as well as for rendering wholehearted assistance and support to the present cause of defending the country and building socialism for the Vietnamese people. [end recording]

Philippines

Manglapus Charges Western Support for Communists

HK0602111990 Hong Kong AFP in English 1102 GMT 6 Feb 90

[Text] Manila, Feb 6 (AFP)—Philippine Foreign Secretary Raul Manglapus charged Tuesday that Western groups were funding local communist guerrillas, according to a transcript of a scheduled speech to the United Nations Commission on Human Rights made available here. He also charged that the banned Communist Party of the Philippines (CPP) was behind an international smear campaign by leftist human rights groups accusing his government of abuses. Mr. Manglapus said there was "a network" in Western Europe and North America that "has succeeded in raising millions of dollars for remittance to the Philippine Maoist rebels."

"The money comes from those ... unwitting institutions which often go to the extent of resorting to theology in order to justify their naivete," he said in an apparent reference to Western religious groups that have allegedly acted as conduits of funds for the CPP. He charged that "this same network" was reporting on "isolated cases" of abuses in this country "to portray us before the world as a society utterly dedicated to the debasement of the human person."

Mr. Manglapus also said it was "plain racism" for Westerners to "proclaim the fall of leftist tyranny and the rebirth of democracy in Eastern Europe and then finance the return of that same tyranny to an already reborn Asian democracy." However, Mr. Manglapus admitted that there were "lapses" in "dedicated official vigilance" regarding human rights abuses.

The military has charged that left-wing political groups in the West have provided financial support to local communist insurgents, often in the guise of aid funds channeled through religious groups.

Meanwhile in the southern Philippines at least 20 communist guerrillas were killed in two separate clashes with soldiers in Zamboanga del Sur Province over the weekend, a military spokesman said Tuesday. Army spokesman Captain Ranulfo Inocencio said guerrillas of the CPP's New People's Army (NPA) were killed on Sunday when they clashed with government troops in the mountain villages of Anunang and Tabugon near Tambulig Town. The bodies of the slain rebels were buried by the soldiers, the spokesman quoted villagers as saying. Other military sources said nine soldiers and nine civilians were killed in the clashes, but this could no be confirmed by military officials.

Warning Note Sent to U.S. on Base Talks

HK0602045590 Manila PHILIPPINES NEWSDAY in English 6 Feb 90 pp 1, 2

[By Maria Luz Baguioro, Jose Macaspac III, Mary Eileen Paat]

[Excerpts] The administration, disappointed with nondelivery of U.S. commitments and unilateral cuts in aid, yesterday warned the U.S. that the fate of exploratory talks on the future of military bases in the country could depend on "full and speedy implementation" of American commitments to the Philippines.

The warning was contained in a diplomatic note sent by the Department of Foreign Affairs to the U.S. Embassy, the second such note on the same subject in two months.

President Aquino has been urged by anti-bases elements in Congress and the media to cancel scheduled RP [Republic of the Philippines]-U.S. talks on the bases and serve the U.S. notice of termination of the military bases agreement as an expression of protest against the failure of the U.S. to make good its commitments.

Senators Wigberto Tanada and Joseph Estrada were among those who suggested serving notice of termination of the agreement which expires next year.

The exploratory talks between RP and U.S. panels are scheduled to start in Manila this summer. [passage omitted]

Meanwhile, the Board of Investments, through its chairman, Trade Secretary Jose Concepcion Jr, unveiled a government proposal to convert 500 hectares of Clark Air Base into an industrial estate for American companies. The plan will be submitted to the Philippine panel on bases negotiations for formal adoption by the Philippine panel in its talks with its American counterpart.

The annual $1.2 billion base compensation package includes $160 million in Economic Support Funds (ESF), $200 million in military assistance grants, loans and guarantees amounting to $275 million and the conversion into grants of high interest bearing Foreign Military Sales (FMS) credits totalling $14.7 million.

The Presidential Committee on the Bases headed by Executive Secretary Catalino Macaraig Friday said they had been informed that the U.S. could give only $140 million in military aid and $124 million in ESF (or $96 million less) this year. [passage omitted]

The presidential bases committee also said that compared to other countries hosting U.S. military facilities such as Spain, Greece and Turkey, the Philippines receives far less in compensation but allows relatively unhampered American use of the bases.

In 1988, the Philippines received $299 million in "security assistance;" Greece, $343 million; Turkey, $522 million and Spain, $3 million. Security assistance includes FMS loans and grants, military assistance grants and ESF loans and grants.

The committee also scored the U.S. for reneging on several of its commitments under the bases treaty, namely:

1. The promised waiver of the Berry Amendment to allow U.S. forces in the Pacific to buy as much as $80 million of Philippine goods every year;
2. The reconvening of the Joint Veterans Claims Panel to resolve all compensation claims of Filipino war veterans;
3. The submission of information on the number of U.S. servicemen and civilian base workers infected with the AIDS virus;
4. The annual allocation of $4 million for improved base security measures;
5. The appropriation of $5 million for the resettlement of the squatters living along the base perimeter;
6. The conversion of $29.4 million FMS credits into grants;
7. The release of $55 million in development assistance for 1990 and
8. The allocation of $18.4 million of the $41 million food aid in loans instead of in grants as agreed upon.

Tanada and Estrada, who have both spearheaded the Senate move to block any attempt at extending American presence in the military installations, claimed in separate statements issued to newsmen that Malacanang must now lead in reviving the nationalist spirit by ridding the country of any foreign-controlled installation that tends to violate the country's sovereignty.

Both said the Aquino government must immediately serve the notice of termination on the U.S. under the RP-U.S. Military Bases Agreement, an act that is expected to trigger the dismantling of the U.S.-controlled military facilities in the country.

Tanada, speaking at the Civil Liberties Union's Recto centennial celebration, also cautioned that the U.S., if provided with the right reasons and timing, could launch a military operation similar to the one in Panama where the existing government was overthrown.

"Because American lives and property could be managed to be endangered and the integrity of the bases agreement made to appear threatened, they could launch a version of 'Operation Just Cause' in Panama here in the Philippines," Tanada said.

He said that "Operation Just Cause" was the codename for Panama's invasion ostensibly to protect American lives and properties last December.

Its real purpose, however, was to overthrow Panamanian President Manuel Noriega and take him to the U.S. for trial on charges of drug trafficking.

Extolling Recto's prescience on national survival and self reliance, Tanada said. "I find it difficult to understand why our leaders in the Executive branch appear paralyzed by the effects of the Cold War colonization that is already thawed by the rise of nationalism in other parts of the world."

On the other hand, Estrada said the Aquino administration should by now realize that the country can never expect fair treatment from the U.S. government, obviously referring to the U.S. government's unilateral decision to reduce by $96 million its 1990 commitment under the Manglapus-Shultz Agreement.

"History has shown the repeated duplicity and treachery of the U.S.," Estrada charged, saying that the Aquino administration must have learned by now not to negotiate with the U.S. for the extension of the bases agreement.

"We should terminate any negotiation with the U.S., serve the notice of termination and mobilize the people to support the dismantling of the bases," Estrada said.

Estrada warned that the destabilization and intervention of the U.S. government in the Philippines will continue until the U.S. succeeds in extending the bases agreement.

Under the Memorandum of Agreement signed by Foreign Affairs Secretary Raul Manglapus and then Secretary of State George Shultz in 1988, the AFP [Armed Forces of the Philippines] is to receive $200 million for

the years 1990 and 1991. But the U.S. Congress only legislated $160 million allegedly because of financial constraints.

Ramos expressed concern over the U.S. government's unfulfilled commitments to the country and over its "inaction" in speeding up the release of the pledged MAP [Military Assistance Program].

An industrial estate with an area of 500 hectares is being proposed by Philippine officials to be set up within the perimeters of Clark Air Base, generating doubts on whether the Aquino government has any serious plans of dismantling the United States military bases in the Philippines.

Trade and Industry Secretary Jose Concepcion Jr., who is also chairman of the Board of Investments (BOI), which initiated the proposal, said a primary feature of the Clark industrial estate would be an airfield that would be "used in common" by both the companies locating within the estate and by the military base.

Concepcion explained that included in the airfield is Clark Air Base's runway measuring 3.8km.x46m., larger than the international runway of the Ninoy Aquino International Airport (NAIA) which only measures 3.4km.x45m.

Aside from a runway, Clark Air Base will also have to lend the use of its apron parking, measuring around 493,240 sq. m., larger than the apron parking of NAIA's international airport (measuring only 300,000 sq. m.).

He added that such an estate, if developed, would be part of the American people's contribution to Filipino posterity. Concepcion said the industrial estate concept was proposed to the U.S. bases panel, which had been deliberating on whether to extend the stay of the U.S. military bases in the country beyond September 1991. Concepcion said the U.S. bases panel is still to comment on the proposal.

The BOI proposed that the estate would be composed of U.S. companies relocating here which would engage in export oriented industries. Concepcion also said development of the industrial estate would depend largely on both the government and the private sector.

Asked whether the establishment of an industrial estate would mean the U.S. base will pull out of the area, Concepcion said that the matter is still up for discussion.

Concepcion said that only 4,400 hectares have been left to Clark Air Base while about 53,000 hectares have been released back to the government. He said the 500 hectares industrial estate is located within the 4,400 hectares of Clark Air Base.

Ernesto Ordonez, trade and industry undersecretary and member of the U.S. MIlitary Bases panel, said that aside form the Clark base land, two other areas are being considered as alternative sites of the industrial estate. One area is called Zone D and is outside the base area while the other is located in Secovia, Tarlac.

Ordonez said that in the final analysis, the Bases Council will decide on the actual site and use of the Clark Air Base Industrial estate. He also said that even with an industrial estate in the area, a part of the Clark Air Base installation will still remain for "security purposes."

Other private industrial estate projects being proposed by the BOI are: the Samsung Industry Estate (a decision on which will be out by the first quarter of 1990), the Taiwanese Industrial estate, C. Itoh Industrial estate, Cagayan de Oro Industrial estate, General Santos Industrial estate, La Union Industrial estate and Iloilo Industrial estate.

House Speaker Holds U.S. Will Keep Agreement

HK0602093390 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 6 Feb 90

[Slantlines denote passage in English]

[Text] The Aquino government cannot force the United States to pay its financial obligations stipulated under the Philippines-U.S. military bases agreement. This was the remark of House Speaker Ramon Mitra in an interview with the "Liberty in Action" radio program this morning.

Mitra added that the agreement was not a treaty but simply an executive agreement. As a result, the Philippines can only hope for a best-effort pledge from the United States insofar as fulfillment of the promised assistance is concerned.

However, Speaker Mitra expressed his belief that the United States will make good its promises following a meeting with U.S. Ambassador Nicholas Platt and Congressman Stephen Solarz. Here is an excerpt of Speaker Mitra's statement.

[Begin Mitra recording] If you read the military bases agreement, it contains the term: best effort only. It is not a treaty but an executive agreement. Congress is not involved in the process. According to the agreement, they will try their best to ensure delivery of the amount. Their Congress is now saying that the amount should be reduced. It affects not only the Philippines but their entire aid package. Now, let us give them a chance to fulfill their best-effort pledge. In the past, they have come up with 100 percent compliance in their commitment to us. If you look at their performance vis-a-vis other countries such as Greece or Spain, they did not reach 100 percent compliance. The same is true with Turkey. Two years ago, they delivered only 60 percent of the promised aid. With us, however, they have always been able to deliver 100 percent of the promised assistance, and I believe that they will still honor their commitments. I have spoken to our friends there, including Congressman Stephen Solarz and former Ambassador Steve Bosworth, and they told me that this

is the general rule but that the Philippines has always been an exception as far as the United States is concerned. [end recording]

In another development, Speaker Ramon Mitra also denied accusations by U.S. officials about serious graft and corruption problems in the country. He said that the charges were false, arguing that the Aquino government remains clean and sincere. He added that members of the Cabinet are not involved in graft and corruption charges.

[Begin Mitra recording] That is their opinion. Buddy Gomez, too, has his own opinion about the U.S. Government. We cannot ban anyone from making comments about our government, but efforts by our government to stamp out graft and corruption are very clear. /I think it is time we have faith in our own people./

You know, no one says that our president is corrupt or is involved in corruption. Nor can the same be said about our cabinet. /And that is more than half of the battle/ because if the leaders are not immune from graft charges, then our country will be hopeless, whatever we say. [end recording]

Senator Opposes Debt-Bases Swap Proposal

HK0602092190 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 6 Feb 90

[Text] A U.S congressman's proposal that the U.S. military bases be maintained in the Philippines for another 20 years in exchange for the United States' shouldering two-thirds of the country's foreign debts was firmly rejected by Senator Alberto Romulo.

Here is Cesar Chavez of DZRH Unit No. 9 with a report.

[Begin recording] [Romulo] The people already decided on the issue in 1987 when they ratified the Constitution, specifically the provision that the military bases will stay in our country until 1991.

[Chavez] According to Senator Romulo, the people have decided that the military bases issue should end by 16 September 1991. Romulo opposed a proposal by U.S. Congressman [name indistinct] that the U.S. military bases be retained in the country for another 20 years, in exchange for which the U.S. Government would shoulder two-thirds of the country's foreign debts, which now stand at $29 billion. The proposal is also known as the debt-bases swap.

[Romulo] I do not see any need for further exploitation of the bases issue. The truth is, that even in Europe, we see the dismantling of military bases and forces.

[Chavez] Romulo also stressed that if the military bases are really necessary for peace and stability in the Asian-Pacific region, they should be installed in other countries. [end recording]

Move To Oust Senate President Reported

HK0202102190 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 2 Feb 90

[Text] A coup d'etat is reportedly being hatched in the Senate. The senators are reportedly pushing for the secret creation of an expanded progressive bloc, whose objective is to oust Senator Jovito Salonga as Senate president. Here are the details from Cesar Chavez of DZRH Mobile Unit 9:

[Begin recording] [Chavez] A campaign letter for the removal of Senator Jovito Salonga as Senate president has again been circulating in the Senate. Yesterday Senator John Osmena started persuading Senators Ernesto Maceda and Rene Saguisag to join the progressive bloc, which, he believes, has become an expanded progressive bloc which could later gain the Senate leadership.

Members of the bloc are reportedly holding a meeting now, but Senator Maceda refused to attend. The bloc wanted Maceda to join them so they could paralyze the Liberal Party of which he is a member. However, Senator Osmena, who is already active in the progressive bloc, said that with a 90 percent membership, they can dominate the Senate, adding that their only problem is time:

[Osmena, in English] It would be a, shall we say, an expanded progressive bloc.

[Chavez] Who are the members?

[Osmena] Some of them are from the Liberal Party. I presume they have been invited. I don't know. I will not speak for them to say whether they are attending or not.

[Chavez] Where is this leading?

[osmena] Where is this leading? To the much awaited...

[Chavez] Senate revamp?

[Osmena] I don't know. It's hard to predict.

[Chavez] Fifty-fifty chance?

[Osmena] What? It's 99 percent. It's a question of time. [end recording]

The move to oust Salonga was due to the senate president's rejection of a proposal by three senators, all members of the Liberal Party, for the holding of national elections in 1991. Senators Herrera, Saguisag, and Maceda feels bad about Salonga's reaction. However, Senator Maceda is still firm in saying that there will be no Senate coup:

[Begin Maceda recording in English] No, we are not supporting or thinking of any move that would change the leadership in this chamber, with less than two years to go before the start of the election campaign. I think it would only unnecessarily throw the chamber into politics which could reduce our efficiency.

[Chavez] Senator Osmena said it's a matter of time.

[Maceda] Well, that is his opinion. I don't believe it, though. [end recording]

Aquino Gives Address on Constitution

HK0202094190 Manila Manila Broadcasting Company DZRH in Tagalog 0835 GMT 2 Feb 90

[Speech by President Aquino on the occasion of Constitution Week at Malacanang's Ceremony Hall; live in English, in progress]

[Text] ...They avoided mention of the Constitution. There is a reason for that. First, there is a lot of difference between constitution and country as the object of one's sense of patriotism. The Constitution embodies specific principles, system of government, and precepts. But country, more often than not, needs only land, people, a place under the sun. Thus, one could claim to be for country and also for a military dictatorship. But those who are for the Constitution cannot at the same time accept military dictatorship without exhibiting intellectual dishonesty.

The Constitution mandates a democratic form of government. It solemnizes the institution of the rule of law and the bill of rights. It celebrates freedom of speech and of the press. It upholds the supremacy of civilian authority over the military. It rejects violence as an instrument of change. It authorizes change of government or administration only through free elections or referedum by the ballot, not the bullet.

The Constitution is everything that the causes of coup makers are not. The Constitution ordains a government of laws, not of men. The coup leaders have promised a government not just of men, but a government of armed men. These institutions, defined and enshrined in a Constitution, form the foundation of the nation, provide stability, and keep the people one and united.

How wise were wise men of old. Saint Augustin once said that the people are bound together by the things they love. In our case, the things we most cherish are found in the Constitution. The third anniversary of our Constitution is a good time to read and reread it and learn more about it. No matter how much you know of it, you will always find something new in it from a rereading.

We have a constitution that won an overwhelming yes vote during the plebiscite. It is truly the supreme expression of the sovereign will, as the books would define constitution. A careful reading of the charter will show the faithfulness with which it reflects the sentiments of the people. It is a constitution in which the people could hear their own voices.

Apart from the bill of rights that shields the people from the excesses of the state, many provisions in the Constitution address the plight of the people. It enunciates the policy to promote social justice, a just and dynamic social order that will ensure prosperity and [word indistinct] people from poverty through policies that provide adequate social services, promotes full employment, a rising standard of living, and an improved quality of life for all.

It widens people's participation in government through people's organizations and the sectoral representative in the House of Representatives. The Constitution anticipated the worldwide revolution in 1989 against a government-dictated economy under dictatorial regimes in favor of free market economies in a democratic setting. A proven formula that has made small countries among the richest in the world now.

In its article on national economy, the charter casts the private sector as a major player in the national growth, encourages competitiveness, welcomes foreign investments, and frowns upon protectionism. The first allegiance of every citizen, more so of the men and women in the government, civilian or military, is to the Constitution. The Constitution has, in fact, spelled out the oath of allegiance of the president, which is also prescribed for every public employee.

I do solemnly swear that I will faithfully and conscientiously fulfill my duties as president of the Philippines, preserve and defend its Constitution.

Thus, the requirement is not just to render loyalty to the Constitution, but to actively defend it. Among government men, this obligation rests most heavily on the shoulders of men in the military because they have the guns. Their allegiance must be unequivocal, because the greatest threat to the survival of a regime is from disloyal men in possession of the state's own weaponry.

I am often amused at the hypocritical concern of some critics and their pious warnings against our government resorting to unconstitutional excesses in the exercise of the emergency powers. They have conveniently forgotten that for almost 11 months, from March 25, 1986, or a month after the EDSA [Epifanio de los Santos Avenue] revolution, up to February 2, 1987, the day the Constitution was ratified, I had dictatorial powers, greater than those held by the late dictator. I held powers flowing from a revolutionary government. Did I use them like a dictator? There were those, in fact, who were aghast that I instead called for a constitutional commission soon after the revolution, with a mandate to frame a democratic constitution, a task it accomplished in four months and 13 days.

The restoration of democracy which had taken other nations, similarly situated, decades to accomplish, is, in my view, the finest achievement of this administration. [applause]

I should like to thank and commend the men and women of the Constitutional Commission now with us to celebrate the third anniversary for their patriotism in keeping faith with our mandate that the Constitution must be of democratic mold, with all the democratic

ideals that the people have cherished, by which they are in turn bound together. [applause]

[changes to Tagalog] When our Constitution was ratified in 1987, we expressed our ideal: freedom reigned by peace, stability, and order. On this third anniversary, let us reaffirm once more our sincere pledge to uphold it without exception, to secure and defend it loyally against any tyranny or treason. The Constitution is the heart of our democracy. Long live everyone.

Ramos, De Villa Urge Legislation on Rebellion

HK0102054190 Baguio City Mountain Province Broadcasting Company in English 0330 GMT 1 Feb 90

[Text] Defense Secretary Fidel Ramos and Armed Forces Chief of Staff General Renato de Villa have asked Congress to enact a law that would make the crime of rebellion a nonbailable capital offense. The top government officials [words indistinct] a legislative measure would protect the government against future threats from both the leftist and rightist forces.

Rebel Officer Reportedly Arrested in Manila

HK0302084990 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 3 Feb 90

[Interview with Brigadier General Pantaleon Dumlao, commanding general of the Philippine Constabulary Criminal Investigation Services (CIS) by Jennifer Postigo and DZRH radio anchorman Joe Taruc at Camp Crame—live]

[Excerpt] [Postigo] Good afternoon, general. Can you please tell us about the reported capture of a rebel soldier?

[Dumlao] Our boys captured Captain Proseso Maligalig, chief of operations of Commodore Calajate at the Logistics Command, at 0400 this afternoon.

[Taruc] Can you give us more details?

[Dumlao] Captain Maligalig has been under surveillance for a long time, and sometimes we would lose him. But we got lucky earlier today as he was spotted at the corner of Heran and Onyx Streets, riding in a blue car. He was intercepted by teams of the special operations group under Colonel Serafin Santos of the Special Operations Groups, CIS.

[Taruc] Were there any informers who revealed Maligalig's whereabouts?

[Dumlao] Of course, yes. We did publish their pictures and announce a reward for their capture; all of this helped.

[Taruc] Captain Maligalig's arrest carried a reward of 500,000 pesos.

[Dumlao] Yes, that is right. [passage omitted]

Military Arrests Suspected NPA Members in Cebu

HK0102125390 Quezon City Radyo ng Bayan in Tagalog 1200 GMT 1 Feb 90

[Text] Military authorities have arrested three suspected members of the New People's Army [NPA] operating in northern Cebu. The rebels were identified as Primitivo Tikbawan, Aurelio Putot, 39 years old; and Paterno Ares, 31 years old. All reside in Catmon, Cebu. They were arrested on Thursday [31 January] at midnight by a joint police-constabulary force. Tikbawan is said to be an organizer of the Pinaghukbong sa Maguugma san Bonias, or Bonias Farmers Organization.

Gains Made in Ilocos Counterinsurgency Drive

HK0102045390 Manila MANILA BULLETIN in English 1 Feb 90 p 1

[By Milton P. Pascua]

[Text] Camp Quirino, Ilocos Sur—The counterinsurgency campaign in this province has been gaining grounds since last year with the surrender of 25 rebels, some of them top members of the Ilocos Region Central Front Committee, and the killing of at least 21 insurgents in 26 encounters initiated by government forces.

Lt. Col. Hercules Cataluna, Ilocos Sur provincial commander, said that the latest surrenderees were four members of the New People's Army (NPA).

Cataluna, in a report to Brig. Gen. Miguel Abaya, Recom [Regional Command] I chief, identified the surrenderees as Romeo Umboy, 30, alias "Ka [commander] Dante" and Mamerto Berida, 18, "Ka Tonton," both of Magsingal, Ilocos Sur and former members of the Central Front Committee; Albert Sangsaliw of Bagabag, Nuea Viscaya; and Alex Sol of Cabugao, Ilocos Sur.

The four were referred to the Department of Social Welfare and Development (DSWD) for processing. They would undergo skills training or they may continue their studies, Cataluna said.

Most of the 20 returnees have been reunited with their families, while some are now gainfully employed.

Several of the surrenderees, according to Capt. Rolando Diaz, commander of 148th PC [Philippine Constabulary] company, were forced to join the NPA.

Before they were released, the surrenderees were asked to pledge allegiance to the Constitution and the duly constituted government, Cataluna said.

Four rebels were also captured by government troopers during a recent encounter in the hinterland of Ilocos Sur.

Seized from the four NPA men, Cataluna said, were several high-powered firearms, radio sets, and subversive documents.

Also confiscated from them were documents showing that they have undergone a rebel combat training in Vintar, Ilocos Norte.

Offensive Ordered Against MILF in Cotabato

HK0102045990 Manila THE MANILA CHRONICLE in English 1 Feb 90 p 5

[Text] Pikit, North Cotabato—Eight houses were burned early Tuesday night near this town's public market and barely a few hours after Brig. Gen. Orlando Soriano ordered a massive manhunt for followers of the Moro Islamic Liberation Front (MILF) who attacked several villages here Saturday.

Soriano, head of the Army's 603rd Brigade, said they have no leads about the perpetrators and cautioned civilians against "over reacting" to the burning.

"We are still checking that incident," he said, allaying fears that it would affect the safe return of the evacuees.

Nearly all houses in Sitio New Valencia were burned by the Muslim rebels while six villagers were killed.

The rebels also set afire earlier another 250 houses in Christian-dominated areas, but top civilian officials led by Gov. Rosario Diaz said that religious fanatic groups and Christians also burned houses in Muslim villages.

Last Tuesday, evacuees trooped to PC camps here and asked not to hold a ceasefire with the MILF rebels.

But Soriano told the evacuees, now numbering 8,000 families, that the talks he had with the MILF was to negotiate for the release of civilians held hostage during attacks by rebel groups. The hostages were released Monday. He assured that no ceasefire would occur and that he would form another Citizens Armed Force Geographical Unit (Cafgu) company in the area. Some women evacuees have volunteered to enlist in the Cafgu, Soriano said.

He said at least nine barangay are now safe for the return of the evacuees, but most of them wanted to remain in the evacuation centers until military operations stopped.

Pikit Mayor Ramon Ong said the municipal council has passed a resolution urging the National Government to declare a state of calamity in the town and requested the permanent detail of troops in the hinterlands. Pikit has 42 barangays, half of which are infiltrated by Muslim rebels, he said.

MILF Denies Responsibility

HK0202140790 Manila Radio Veritas in Tagalog 1300 GMT 2 Feb 90

[Text] Leaders of the Moro Islamic Liberation Front [MILF] have denied responsibility for the attack, the killing of civilians, and the burning of houses in Barrio Pikit, North Cotabato.

In an interview with radio station DXMB, North Cotabato, MILF leaders said that the perpetrators of the violence were civilian Muslims who had been denied justice. They claimed that many Pikit residents had been victims of military abuse, even by criminal elements.

Apart from the killings and burning of houses, it was learned that about 500 animals had also been stolen.

Rejection of Cordillera Autonomy Viewed

HK0102053990 Manila PHILIPPINE DAILY INQUIRER in English 1 Feb 90 pp 1, 10

[Text] Baguio City—The proposed Organic Act in the Cordilleras was soundly rejected by the people in the region because they would rather be governed by an inefficient local bureaucracy than subsidize an expensive regional government, observers said yesterday.

Rep Samuel Dangwa (LDP [Struggle of Philippine Democrats], Benguet), the only congressman in the region who campaigned for the rejection of the proposed act, said the "No" votes prevailed because the people fear an expensive and bloated regional bureaucracy which they would subsidize with their taxes but would offer them less basic services.

"The Organic Act would have created a greater bureaucracy and more taxes from the people. From the beginning the proposed regional government was bankrupt so that people rejected it," Dangwa said.

But others believed it was the people's resistance to change and the maintenance of the status quo that motivated voters to reject limited self-rule.

"While change is sweeping the whole world, in this part of the country, we would rather resist it. That's the reason why the yes campaigners had a hard time," said Benguet Gov Andres Bugnosen.

Sen Leticia Ramos-Shahani, who campaigned hard for the charter, believes it was the government's lack of material time to wage a sustained information campaign that carried the No to win.

Dangwa, however, did not share this belief. "Let us not insult the intelligence of the people in Baguio and Benguet. They know the issues as early as two years ago when the CRCC [expansion unknown] was convened and the Interim Cordillera Administrative region was organized," Dangwa said.

Under the proposed region, a regional governor will be elected at large by a majority of the voters and will be the overseer of the region, with a deputy governor aiding him. A regional assembly would also be created to take charge of local legislation. Several other commissioners will be appointed to chair the different offices.

"The people refused to take the poison laced in the Organic Act. No form of government should be imposed on our people because they know better what is best for

them," said outspoken Baguio City Councilor Virgilio Bautista, who together with the rest of the city council and Vice Mayor Antonio Tabora batted for a "No" vote.

Acting Comelec Chairman Haydee Yorac said it was hard to establish rules of governance to a people in an abstract form in so short a time. She said it could take decades to fully convince a people to accept a certain form of government.

"You cannot establish rules of governance in the abstract. What you should do is to study, for instance, conflicts of interests, prejudice of the people in order to establish acceptance of certain formulas," Yorac said.

There were those of the belief that traditional politics helped ensure the No vote.

"We cannot discount the preponderance of traditional politicians in the thick of the No vote. Most of these people opposed to the act are tradpols [as published] from the extreme left and right," said Abrino Aydinan, chairman of the defunct CRCC.

"In the remote villages, a man would vote No simply because the barangay captain said he would vote No," said Comelec Regional Director Felimon Asperin Sr.

But there are persistent reports that multinational corporations [MNCS], whose interests were threatened by an autonomous Cordillera, bankrolled the No campaign.

Early returns showed that the "No" vote won overwhelmingly in the mining towns of Itogon, Mankayan and Tuba in Benguet.

Rep Gualberto Lumauig and four other congressmen in the region will seek a congressional inquiry into these reports.

Aydinan said they had it on good authority that the MNCS spent money to ensure that the act would be rejected.

The proposed act would have required MNCS to declare their assets and pay more taxes to the regional government aside from the taxes they pay the national government.

Dangwa, the lone congressman who is not seeking the congressional inquiry, denied this.

There has never been any pressure or meddling on the part of the MNCS. It only became a sort of alibi for people who came to campaign for yes, Dangwa said. Small folk, however, viewed it differently.

"Kaya ako bumoto ng No dahil panibagong sakit ng ulo na naman yan. Maganda lang organic act na yan san nakaupo, [I voted no because this will mean another headache. The Organic Act is good only for those in office], said Willy Gonzales, a taxi driver here.

Catholic Bishops Criticize Coup Attempts

HK0202055190 Manila PHILIPPINES NEWSDAY in English 2 Feb 90 p 11

[Text of "Pastoral Letter of the Catholic Bishops' Conference of the Philippines"]

[Text] Beloved People of God: "May God our Father give you grace and peace" (Col. 1:2).

Introduction—Situation

Impelled by the Gospel of our Lord Jesus Christ, the Prince of Peace, and by our love of country, we write you this Letter on peace.

Our times pose the gravest of challenges to all of us as a people. We live in a climate of violence. The daily fare of violence on TV and cinema is tragically lived out in the concrete violence of wanton criminals who have no compunction in killing, kidnapping, robbing, extorting, and terrorizing.

And we suffer violence from various attempts to seize power by groups ranking from the extreme Left to the extreme Right. Ironically, they all similarly invoke "nationalism" for their disparate causes.

Our deep concern over this climate of violence is increased even more by reports that foreign interests have been or may in the future be involved in the efforts of Right and Left to continue the destabilization of our society. In the past, we declared that "no foreign power is to meddle with our political sovereignty" *(CBCP [Catholic Bishops' Conference of the Philippines] Statement on the 1984 Plebiscite and Election,* 8 January 1984). We reiterate here our condemnation of any unjustified foreign interference in our country's affairs.

We have many times spoken against the armed insurgency of the extreme Left (e.g. *Exhortation Against Violence,* 7 October 1979; *The Fruit of Justice is Peace,* 26 January 1987; *Solidarity for Peace,* 12 July 1988). We need not repeat our condemnation of it, as well as our condemnation of all attempts to seize power by armed means.

Coups d'Etat

As for the tragic series of attempted coups d'etat already suffered by our people, we as the Catholic Bishops' Conference of the Philippines affirm the judgment of a number of our brother Bishops who have already spoken out. The use of arms to overthrow our duly constituted government is immoral and would be tantamount to an unjust usurpation of power. Such a judgment is solidly based on moral principles of the Church, for a violent overthrow of government is moral only when the strictest of conditions are verified, namely:

1. "where there is manifest, long-standing tyranny which would do great damage to fundamental personal rights and dangerous harm to the common good of the country" (*Populorum Progressio,* 31).

2. when it is taken as a last recourse, all other means having been exhausted;

3. where there is reasonable or well-founded hope of success;

4. when the good to be obtained is proportionate to the damage and harm that would be inflicted.

In no way can it be correctly claimed that the very first two conditions are verified in our society today and it can be very much doubted that even were a coup d'etat to succeed, irreparable harm will not be done to our country and people.

We need only to realize the immeasurable damage done by the most recent coup attempt; the tragic loss of many lives, the destruction to property, the incalculable setback to our economy, and the breakdown of trust in our society that so badly needs strong unity for development.

In the face of such a morally unjustifiable coup attempt, a responsible citizen cannot be morally neutral. One cannot morally support it, rather one is obliged to resist it, and prevent its recurrence. That is, indeed, a serious moral obligation.

It is in the light of such a situation that the words of Scripture are applicable: "Let everyone obey the authorities that are over him, for there is no authority except from God, and all authority that exists is established by God. As a consequence, the man who opposes authority rebels against the ordinance of God; those who resist thus shall draw condemnation upon themselves" (Rom. 13:1-2).

Armed violence is being justified by would-be leaders of the nation in the name of the people and for the sake of the people. The same unfounded basis for power long claimed by Leftist insurgents is now being claimed by adventurists, military and civilian, of other political persuasions. We believe that such a claim utterly disregards the conviction of the greatest majority of our people whose support of a legitimate government has been evident in so many instances.

We, indeed, recognize that there are serious deficiencies in the present government, but change in our social, economic, and political sphere must not come about by armed means. Recourse to violence to bring about peace today cannot be justified.

The misguided messianism of a minority group with guns and gold, if allowed to prevail, has no prospect of ever being satiated by one violent attempt to seize power. Recent history has shown that once successful, violent seizures of power have been followed by other such attempts.

The Path to Peace

A just social transformation is the path to peace. With profound insight into the nature of peace, Pope Paul VI declared in 1967, during the first Decade of Development, that "development is the new name for peace" (*Populorum Progressio*, 76).

Development to be authentic and integral must "promote the good of every person and the whole person;" (*Populorum Progressio*, 14) "the fully rounded development of the whole man and of all people" (*Populorum Progressio*, 42). There is no true development when there are excessive economic, social, and cultural inequalities. Such imbalances give rise to tensions and conflicts and endanger peace.

That is why peace and justice are inseparable. Indeed, peace is the fruit of justice (Is. 32:17). Justice not only requires respect for the fundamental rights and dignity of the human person but also imposes the duty of promoting the common good, that "sum total of social conditions which allow people, either as groups or as individuals, to reach their fulfillment more fully and more easily" (*Gaudium et Spes*, 26).

But justice which begets peace is just one side of the coin. The other side is love. "Hence peace is likewise the fruit of love, which goes beyond what justice can ensure (*Gaudium et Spes*, 78). And peace comes first as God's own love for us, concretely in the gift of his own Son, Jesus, who by dying broke down "the barriers of hostility that kept us apart" and became our Peace (Eph. 2:14).

This is the reason that reconciliation is a necessary value for peace. Reconciliation, however, is not simply a gesture of forgiveness. In its true sense, reconciliation requires a conversion into the way of justice and love, so that God's peace may be given. Without justice and love, "reconciliation would only be a shallow veneer" (*CBCP Statement on Reconciliation Today*, 27 November 1983).

If peace is the fruit of love, sin is the absence of love. For this reason, we wage peace by waging war against sinfulness itself. The absence of peace is not merely an ideological or a political and economic issue. It is a moral issue rooted in two typical attitudes; "the all-consuming desire for profit" and "the thirst for power, with the intention of imposing one's will upon others... at any price (*Sollicitudo Rel Socialis*, 46). For the man of peace, there is a future (Ps. 37:37).

Decade of Peace—Suggested Agenda

Because we believe that peace is not simply the absence of war but the fruit of justice and love, as a collegial body of Pastors we wholeheartedly support the government's declaration of a Decade of Peace, 1990-2000. It will be, as declared, a decade *of* peace and *to* peace in our land.

For this Decade of Peace, we suggest the following agenda as among those that are essentially required by "the path to peace" (Lk. 19:42):

1. Transforming values and mentalities into those that are truly oriented to God and to the common good: We need to be a people—and to have leaders—who are

Maka Diyos (Godly) and *maka-bayan*, [patriotic] Disvalues such as selfishness and greed must give way to generosity and sharing.

2. Dismantling the structures (system, e.g., ways of relating and acting in economic and political life supported by laws, policies and entrenched practices) that favor the few and discriminate against the great majority of our people. Monopolies and a system of taxation that lies too heavily on those who have less are such structures that need urgent change.

3. Designing and implementing truly transformative programs of agrarian reform, ecological promotion, and socio-economic development geared towards the eradication of gross imbalances and disparties and permeated by a sensitive care for people and for the earth. Today, we will seem, to instance, unable to implement our laws against indiscriminate and illegal longing.

4. Peacefully resolving questions of self-determination of various groups in our country within the context of national sovereignty, problems such as posed by the MILF [Moro Islamic Liberation Front], MNLF [Moro National Liberation Front], and CPLA [Cordillera People's Liberation Army].

5. Coming decisively to a moral and political resolution of the complex questions that revolve around the tension of national autonomy and interdependence among nations as reflected by realities such as various foreign economic interests in our country, our external economic debt, the U.S. military presence, and inadequate transfer of technological knowledge so necessary for our economic growth and self-reliance.

6. Developing a satisfactory and effective educational system that should be critical and liberating and could be more responsive to our country's needs as well as to the needs of the various members of the school community.

7. Freeing once and for all our most disenfranchised sectors, the rural and urban poor from various forms of bondage, through a sincere practice of the evangelical option for the poor.

8. Effectively checking graft and corruption in private and public life.

9. Conscientiously observing the laws of our country and effectively delivering socio-economic services to our people. Just taxes, for instance, have to be paid faithfully and the government must spend them honestly and wisely for the good of the people.

10. Empowering people in law and in fact in order that decision-making and implementing processes may truly be participatory and oriented to the common good.

Solidarity

The task of waging peace is formidable. We see it as a moral struggle. We must not delude ourselves into thinking that periodic bursts of enthusiasm will conquer evil. The task of waging peace is slow, painful, demanding, and crucifying. It will require a holy endurance and relentless effort. It is not simply the work of one leader or of one government but it is the enterprise of a whole nation.

Peace is the work and fruit of solidarity (*Sollicitudo Rei Socialis*, 39). Solidarity as "a firm and persevering determination to commit oneself to the common good; that is to say, to the good of all and of each individual because we are all really responsible for all," (*Sollicitudo Rei Socialis*, 38) is, in essence, rooted in the Gospel imperative of loving God and neighbor.

Solidarity calls us to be ready "to lose" ourselves for the sake of others, to share with them out of justice and love, and to see the face of Christ himself in the needy and the poor. Solidarity calls us to tear down walls that divide our communities. It calls us to communion with God and among ourselves.

Together we can promote peace in a hundred and one different ways, stopping the mad glorification of violence on TV and cinema, organizing peace-promoting and monitoring councils all over our country, educating for justice and peace, in schools, on stage, and on the streets. Active and vigilant People Power through mobilization and prayer—and through generous sacrifice for the common good—will be the means to peace.

As an expression of our own resolve and pledge to be peace-makers, we shall assist towards the organizing of a National Peace Congress where the issues and problems of Peace could be explored in dialog with people of good will.

Our pilgrimage to peace is one of friends and not of hostile factions. Though we may belong to different classes and tribes, we must band together for peace, listen to God's call of peace together, and dialog for peace together, resolutely and ceaselessly seeking peace, pursuing it, beating the swords of war into plowshares of integral development (cf. Is. 2:4).

Conclusion

True peace is at once the work of the just and the gift of God, the fruit of His Spirit (Heb. 12:11; Jn. 14:27; Gal. 5:22). It is above all in the Eucharist that we are gifted by God with His peace not only in greeting but in the very Body and Blood of His own Son. By the Eucharist we become peace-makers in spirit and truth, so that we may, in His memory, draw others into the peace and unity of His kingdom.

We commend our efforts for peace to our loving Blessed Mother, Our Lady of Peace. Because she believed and kept God's Word, she brought forth into our world by the power of the Spirit, the Prince of Peace, Jesus the Lord.

May the Lord guide our feet into the way of peace (Lk. 1:79). May grace and peace from God our Father and the Lord Jesus Christ be yours (I Cor. 1:3).

For the Catholic Bishops'

Conference of the

Philippines:

Leonardo Z. Legaspi,

O.P., D.D.

Archbishop of Caceres

President, CBCP

Tagaytay City, 31 January 1990

Two Presidential Guards Shot During Argument

HK0102120190 Quezon City GMA 7 Radio-Television Arts Network in Tagalog 1030 GMT 1 Feb 90

[From the "GMA News" program]

[Text] Two members of the Presidential Security Group [PSG] were shot dead by a colleague who is an Army corporal. Killed were Staff Sergeant Carlos Catbagan and Petty Officer Roberto Toledo. The suspect was identified as Corporal Nestor Albinto.

The shooting stemmed from a heated argument between Albinto and Catbagan. According to PSG civil relations officer Major Malgasvar Villegas, Albinto may have been plagued by work and family problems.

Six Priorities for 1990 Investment Outlined

HK0102052790 Manila BUSINESS WORLD in English 1 Feb 90 pp 1, 7

[By reporter Ma. Liza A. Solano]

[Text] The Investment Priorities Plan [IPP] for 1990 will underscore six priorities that complement its overall theme on the "development of the countryside."

These priorities are regional development, employment generation, infrastructure development, agro-industrial development, export development, and tourism development.

Trade and Industry Undersecretary Tomas I. Alcantara said the new IPP will have a theme unlike the previous priority investments list, "a unifying focus and philosophy for the IPP."

Mr. Alcantara reiterated the need to come up with a new IPP annually because this enables the BOI [Board of Investments] to maintain flexibility and respond to the needs of the current environment.

The new IPP will be directed at those investment areas which have the greatest potential impact on employment generation, such as forest products plantation and farms, production of plantation and other crops, leather tanning and leather, textile products, semiconductor devices and components, and raw materials needed for the manufacture and marketing of the above products.

Private Sector

Recognizing the need for private sector involvement in infrastructure development, this year's IPP will still include infrastructure-related categories that have already been included in the previous IPP. Some of these are power generation, inter-island shipping, overseas shipping, all-cargo airlines, telephone and telegraph services in less developed areas, mass transport operations and industrial estates. New areas of investment this year include cargo transport operations and port cargo-handling services.

The 1990 IPP will promote agro-industrial development by including the production of agricultural products like food crops, beverage crops, crops for feed, fiber crops and plantation crops as well as the manufacture of industrial items such as chemical products, machinery and equipment, and electronic products.

Emphasis will be placed on the processing of the country's agricultural and natural resources. Examples are processed food, production and processing of agricultural inputs and by-products, wood products, and production of fuel or energy from indigenous raw materials.

Activities which increase agricultural productivity, such as the manufacture of agricultural machinery and equipment and major farm implements, and rationalization program for the coconut industry, and capital-intensive basic industries such as cement manufacturing will also be included.

Exports

The new IPP sees exports as a primary tool to alleviate poverty. To achieve higher net export earnings and promote regional development, export promotion efforts will place high priority on products produced in the regions, and have high indigenous raw materials content, high local value-added and greater backward linkages.

Export products still to be listed are marine and aquaculture, garments and textile, computer, services, gifts and housewares, processed foods and beverages, furniture and wood products, semiconductor and electronics, ceramics, and steel, metal products and machinery.

Tourist-oriented areas (e.g. hotels, resorts, pension houses) and those that support tourism development (e.g. transport and telecommunication facilities/services) will also be priority areas for investments.

The BOI has imposed a locational restriction policy for projects locating in Metro Manila to encourage the dispersal of industries to the countryside.

Under the 1988 and 1989 IPPs, applications received by the Board of new and expansion projects locating in

Metro Manila would no longer be entitled to income tax holidays/incentives on capital equipment starting January 1, 1990.

The policy aims to divert new investments from Metro Manila, which contributes 53% of manufacturing gross value-added, to the regions where some 87% of the population lives.

However, the BOI has recently amended this policy to allow new and expansion projects locating in Metro Manila to import duty-free capital equipment up to the end of March this year. The extension will enable applicant firms, whose project study and application schedules were interrupted by the December coup attempt, to still avail of the incentives.

The BOI also amended the 1989 IPP to include five additional items. These are caustic soda (pioneer/non-pioneer), sodium tripolyphosphate or STPP and tetra sodium pyrophosphate or TSPP (non-pioneer), high carbon steel wires (pioneer), steel billets (non-pioneer), and port cargo handling services (non-pioneer). These new areas will also be in the 1990 IPP.

The 1990 IPP is expected to be submitted to the President for approval by end of March this year.

Thailand

Further Reports on Relations With Saudi Arabia

Praphat To Travel to Riyadh

BK0602010390 Bangkok THE NATION in English 6 Feb 90 pp 1-2

[Excerpts] Prime Minister Chatchai Chunhawan yesterday assigned Deputy Foreign Minister Praphat Limpaphan to fly to Saudi Arabia as his special envoy to meet King Fahd following a ban on the recruitment of Thai workers by the Middle Eastern country.

Announcing the move, Foreign Minister Sitthi Sawetsila said the premier acted on his recommendation to send a "goodwill" mission led by Praphat to Saudi Arabia.

The Thai delegation will leave Bangkok for the Saudi Arabian capital of Riyadh today, he said.

Sitthi said Praphat would deliver Chatchai's message to King Fahd and assure the king and the Saudi Arabian government that Thailand is making the utmost efforts to find the culprits behind last Thursday's killing of three Saudi Arabian Embassy officials.

Praphat will also officially inform the Saudi Arabian government of the additional security measure that Thai authorities are providing to that country's embassy staffers and their dependents in Bangkok.

Accompanying Praphat to Riyadh will be National Security Council Secretary General Suwit Sutthanukun, Central Investigation Bureau Deputy Commissioner Police Major General Chalo Koet Thet, Director-General of the Department of Treaties and Legal Affairs Prachit Rotchanaphruk, Director-General of the Information Department Somphong Faichampa, and the Foreign Ministry's Ambassador at large Kopsak Chutikun, among others.

Kopsak said Sitthi sees the visit by the delegation as imperative to prevent friendly ties between the two countries from being damaged by last week's shootings.

Second Secretary Abdallah A. al-Basri, attache Fahd A.Z. al-Bahli and Ahmad A. al-Saif, a telex operator, were killed in two simultaneous attacks outside their homes in the Thung Mahamek area on Thursday afternoon.

Reports and opinions published in both capitals about the case could cause misunderstanding and create an unhealthy atmosphere between the two peoples, the ambassador said.

In a report to the Foreign Ministry, Thai Ambassador to Saudi Arabia Likkhasit Pansomchit expressed concern that reports published in Saudi Arabia about the murders were being presented in such a way that could harm the bilateral relationship, Kopsak added.

However, he said Praphat would not have a mandate to negotiate with Riyadh over scrapping of the ban on the entry of Thai workers.

The Saudi Arabian embassy in Bangkok stopped issuing visas to Thai workers shortly after the shootings took place. It also threatened to withdraw its embassy staff from Bangkok to protest what it called inadequate protection. [passage omitted]

Speaking after visiting the Crime Suppression Division and Thung Mahamek police station, [Interior Minister] Banhan said that the police investigation teams had made considerable progress and would be able to conclude the case soon.

Banhan said he had instructed the police to provide special protection to a Saudi Arabian investigation team, who flew from Riyadh to help solve the case.

The interior minister also said that Thai police handling the case were working around the clock to track down the murderers. Up to 700 policemen have reportedly been instructed to work on the case.

Police Investigation Continues

BK0602011590 Bangkok THE NATION in English 6 Feb 90 p 2

[By Prakopphong Panaphun, Samphan Pawan]

[Excerpts] Over 40 police officers, the largest team ever assigned to a criminal case, were ordered by the Police Department yesterday to investigate last week's murders of a Saudi Arabian diplomat and two Saudi Embassy staffers.

The officers were split into committees dealing with questioning, investigation and directing operations to track down the culprits in the shootings, according to Police Lieutenant General Phot Bunyachinda, spokesman of the Police Department. [passage omitted]

Five representatives of the Saudi Arabian Embassy yesterday called on South Bangkok Metropolitan Police Commander Police Major General Thawi Thipphayarat to inquire about the progress of the police investigation.

Metropolitan Police Commissioner Pol Lt Gen Winit Charoensiri later joined the meeting, which lasted about three hours. [passage omitted]

At the Police Department, spokesman Pol Lt Gen Phot denied a press report that a bomb planted in an automobile belonging to a Saudi Arabian Airlines official went off at a parking lot at Don Muang airport Sunday evening.

The report said the bombing was meant to intimidate Saudi Arabian Airlines.

Pol Lt Gen Phot said that a thorough police investigation showed that the car, owned by Aphiradi Wonghong, had been hit by a fire.

"Our investigation showed that there was no bomb planted at the car and that the fire resulted from an electric short-circuit in the car's engine compartment," the spokesman said.

Editorial Views Saudi Actions

BK0602014590 Bangkok BANGKOK POST in English 6 Feb 90 p 4

[Editorial: "Saudis Targetting the Wrong People"]

[Text] The Saudi Arabian government has every right to condemn the slayings of three of its Bangkok embassy officials last week. Indeed it is perfectly legitimate for Riyadh to demand speedy progress in Thai police investigations into the killings. But in this world of increasing interdependence among nations, Riyadh's unilateral ban of Thai workers has come across as an unreasonable and emotion-ridden action.

The sudden stoppage in the issuance of visas for Thai workers is unreasonable because the hasty move came only two days after the killings of the three diplomats last Thursday—hardly enough time for Thai police to even complete the preliminary probe into the circumstances, not to mention the investigation into what might have been complex domestic or international motives. The ban also amounts to unfair penalisation of the Thai labour-export community.

The other yet-unimplemented threat by Riyadh to close down and withdraw its Bangkok mission can only be construed as an ill-calculated pressure tactic which—if carried out—would jeopardise what has been a long history of favourable bilateral relations.

Because Thailand is not caught up in any serious racial or religious strife like some of the countries in the Middle East, this country may need to make improvements in its security system to thwart politically-motivated or terrorism-driven killings.

But embassies representing countries such as Saudi Arabia which could potentially be embroiled in international conflicts must also provide every assistance to Thai security authorities. For instance, police investigators responsible for the inquiry into the previous case a year ago involving the death of third secretary Salih al-Malik complained about insufficient cooperation from the embassy in the provision of necessary information and evidence.

This time around, it took the investigators three days before they could interview three other embassy diplomats who had travelled in the same car as (and had left the car before) consul 'Abdallah al-Besri was gunned down. In order to allow the Thai protective security to become fully effective, diplomats fearing assassination must also be prepared to allow police guards to accompany them around everywhere, including their private haunts. Against this background, the Saudi Arabian government should reconsider its action on the Thai labour issue as well as any other retaliatory measures. Simple economics dictate that a long-term labour ban would not only hurt the Thai side but also adversely affect the Saudis. The huge population of Thai workers in Saudi Arabia, estimated at around 150,000, are not there out of the host country's charity. They are employed in a variety of construction fields because they provide the skills contributing to the host country's economic development.

There can be little dispute that the sizable Thai labour exports to the Middle East—Saudi Arabia in particular since it is the largest employing country—has developed into a mutually beneficial arrangement between all concerned. And judging from the fast pace of Thailand's own industrialisation, this pattern of Thai labour exports may gradually become a thing of the past. Given the growing demand here for skilled construction labour in major industrial zones such as the Eastern Seaboard, it may not be long before Thai workers overseas start packing to come home.

These are some of the salient points that Deputy Foreign Minister Praphat Limpaphan will have to try to put across to his Saudi Arabian counterpart. Due to leave Bangkok today, the mission by Mr Praphat will not be easy. But the deputy minister will have plenty of valid arguments with which to make his case. First and foremost, he should convince Riyadh to use good reasoning and judgment—as against emotion—in determining how best to resolve last week's slayings of the three diplomats.

Australian Officials Depart for SRV, Cambodia

BK0302095890 Hong Kong AFP in English 0942 GMT 3 Feb 90

[Excerpt] Bangkok, Feb 3 (AFP)—Australian officials left here Saturday [3 February] for Ho Chi Minh City on their way to Cambodia to study what the United Nations must do if it is assigned to pave the way for peace in that country, airport officials here said.

The Australian team, which arrived here late Friday, is led by senior diplomat Robert Merrilees, embassy officials said.

It is to collect information for an informal regional meeting this month in Jakarta aimed at bringing peace to war-torn Cambodia where a tripartite resistance coalition is fighting the Hanoi-installed Phnom Penh government.

The team is expected to return to Thailand where it would consult resistance leaders as well as visit the Thai-Cambodian border area. [passage omitted]

Sihanouk To Pay 'Private Visit' to Thailand

BK0502145790 Hong Kong AFP in English 1432 GMT 5 Feb 90

[Text] Bangkok, Feb 5 (AFP)—Cambodia's former monarch Prince Norodom Sihanouk is to arrive here Wednesday, the prince's office in the Thai capital said.

Prince Sihanouk, who resigned last month as head of a Khmer Rouge-dominated guerrilla coalition fighting the forces of the Vietnam-installed Cambodian Government, is coming here "on a private visit," the prince's office said.

Prince Sihanouk, 68, said last month when he announced his resignation from the guerrilla alliance that he remained the legitimate head of State of Cambodia.

The prince's office here said it had no further information on the forthcoming visit.

The coalition fighting the Phnom Penh government joins the Chinese-backed Marxist Khmer Rouge with the non-communist followers of Prince Sihanouk and former conservative Prime Minister Son Sann.

The news follows an announcement made earlier in Beijing Monday by the prince that he planned to end his 20-year exile and return to live in Cambodian territory occupied by his Sihanoukist National Army.

Dalai Lama To Make Visit in May or October

BK0502031990 Bangkok BANGKOK POST in English 5 Feb 90 p 2

[Text] The Dalai Lama will definitely visit Thailand this year—in May to join in the celebration of Venerable Phutthathat Phikkhu's 84th birthday or in October as earlier planned by the Tibetan spiritual and political leader, who also has Malaysia and Singapore on the agenda.

Buddhist scholar and social critic Silak Siwarak, who coordinated the Dalai Lama's visit on behalf of the Sathiankoset-Nakhaprathip Foundation, said he had already informed Dharamsala, the Tibetan leader's residence in exile in India, about the Foreign Ministry's approval for the Dalai Lama's visit to the Dharamsala headquarters. [as published]

He is yet to receive a confirmation on the proposed schedule of the Dalai Lama's visit to Thailand.

Mr Sulak, who criticised the ban on the Dalai Lama's entry to participate in a Magsaysay Awardees' conference in Bangkok in 1987, yesterday commended the Foreign Ministry's decision.

The Foreign Ministry last week confirmed that it had approved the foundation's request to invite the Dalai Lama to visit Thailand

The Dalai Lama, on one of two previous visits, was granted an audience by His Majesty the King.

When His Majesty the King celebrated his 60th birthday on December 5, 1987, the Dalai Lama and other 500 Tibetan Lamas performed special religious rites at the Mahayan Central Cathedral in Dharamsala for blessings on the Thai Monarch, he added.

Agreement Signed To Increase Trade With Burma

BK0402022090 Bangkok BANGKOK POST in English 4 Feb 90 p 2

[Text] Thailand and Burma have signed an agreement to increase the volume of bilateral trade, Commerce Minister Subin Pinkhayan said on his return from Rangoon yesterday.

The minister said the agreement, signed by Mr Subin and his Burmese counterpart, was not item specific but was a general agreement to increase the volume of trade between the two countries.

Mr Subin was part of a Thai delegation headed by Deputy Prime Minister Phong Sarasin that left for Rangoon on Thursday. There were also several businessmen in the delegation.

Mr Phong said a memorandum of understanding was also signed with Burmese Agriculture Minister Major-General Chit Swe to establish a joint fishing company.

The Thai private sector in the fishery business would staff the company and coordinate work, he said. They would also act as the country's representatives to resolve fishery problems should any arise.

Maj-Gen Chit Swe also confirmed that seven Thai fishermen arrested last month on charges of illegally fishing in Burmese waters would be released soon.

Mr Phong said he also met for half an hour with Burmese Prime Minister Saw Maung, who reiterated his country's readiness to increase cooperation with Thailand on trade, fishery and tourism.

"General Saw Maung said he likes the Thai people because we don't forget them in their time of hardship and always go to see them," Mr Phong said.

Mr Phong said the investment atmosphere in Burma was very good and many were interested in trading with it because of the country's abundance of forests and other natural resources.

He said a Burmese delegation would be invited to Bangkok to discuss details of the trade agreement and the joint fishery company.

Burma had also invited the Thai Jewelry Association to Burma for the first time, Mr Phong said.

Mr Subin added that the first thing that could be carried out easily was tourism cooperation.

Burma had a lot of traditional and cultural attractions and Thailand could serve as a door into Rangoon and Mandalay because there were flights from Bangkok to both destinations, he said.

Touching on logging concessions in Burma, Mr Subin said there were no problems since it was very easy for Thailand and Burma to talk them out.

"We can understand each other easily," he said.

Vietnam

Army Paper Views Bush's State of Union Message

BK0602024990 Hanoi International Service in English 1000 GMT 5 Feb 90

[All numbers as heard]

[Text] U.S. President George Bush on 31 January made an annual State of the Union message in which he dealt at length with U.S. domestic and foreign policies in the coming period. Commenting on this message, the Hanoi Army paper QUAN DOI NHAN DAN said that there is nothing new in Mr. Bush's speech. The paper quoted THE WASHINGTON POST as remarking that the change in U.S. military policy is more [words instinct] with the changing in the world situation.

In fiscal year 1991, the White House reserves more than 295 billion dollars for the Pentagon. The U.S. continues its plan to perfect the three strategic weapons; they are strategic missiles—land-to-land, air-launched, and submarine-based. Four point four billion dollars is reserved for the Star Wars program, SDI; and 5.5 billion dollars will be used to buy Stealth strategic bombers, B-2's. Another portion of the budget is used for the development of more (?accurate) missile system.

This plan shows that the United States has not changed its (?big-stick) policy. U.S. Defense Secretary Dick Cheney affirmed that the United States will not be so naive as to change its military strategy in the wake of the changes in the world.

Dealing with the domestic policy in the coming period, Mr. Bush said: The United States will take essential measures in investment so that the United States can be successful in the world market in the nineties.

This statement of Mr. Bush is viewed as too optimistic. Reports said four-fifths of Americans questioned said that the United States has been and will be losing its strength in world market competition, and by the end of this decade Japan and Western Europe will surpass the United States economically. Top businessmen and deans of U.S. universities urged the U.S. authorities to take concrete measures, such as how to fill the budget gap, especially upgrade the educational system, and work out a national economic strategy like Japan has done.

In conclusion, QUAN DOI NHAN DAN said that the Americans want the U.S. President to be more realistic.

Do Muoi Visits Labor Union's Leading Cadres

BK0502094990 Hanoi Domestic Service in Vietnamese 2300 GMT 4 Feb 90

[Text] Comrade Do Muoi, member of the Communist Party of Vietnam [CPV] Central Committee Political Bureau and chairman of the Council of Ministers, on 3 February visited and talked with leading cadres of the Confederation of Vietnamese Workers.

After extending his new year greetings to all present, Chairman Do Muoi commended echelons and members of the confederation for their efforts and achievements scored during the past year.

Concerning the confederation's 1990 tasks, Chairman Do Muoi stressed: The Confederation of Vietnamese Workers must urge the entire working class and its members to realize the imperialists' dark scheme against socialism; help them to understand the current complex situation; and motivate them to persistently build a scientific and civilized socialist society in accordance with the spirit of renovation set forth by the sixth CPV congress. The confederation must create favorable conditions for the echelons of its organizations, the working class, and its members to participate in and effectively contribute to these tasks. It is imperative for the confederation to satisfactorily carry out its 1990 plans and tasks.

Echelons of the confederation's organizations must, together with the administration, accelerate production, provide jobs for workers, render help to increase the national income, improve the people's daily life, and gradually eliminate poverty. The confederation must help the party and state ensure fair distribution of goods, oppose embezzlement, readjust the wage system, and encourage all workers to work effectively.

Chairman Do Muoi urged leading cadres of the confederation to concretely cooperate with the party and the administration to broaden democracy, seriously abide by the law, and implement the motto of taking the people as the base, thereby ensuring order and discipline in carrying out the confederation's activities.

Pham Van Dong Visits Confederation of Workers

BK0202151190 Hanoi Domestic Service in Vietnamese 2300 GMT 2 Feb 90

[Text] On the afternoon of 1 February, Comrade Pham Van Dong, advisor to the party Central Committee, paid a working visit to the Secretariat of the Confederation of Vietnamese Workers.

Many comrade secretariat members, unit chiefs and deputy unit chiefs, and specialists working with the various organs subordinate to the Confederation of Vietnamese Workers were on hand to give Comrade Pham Van Dong a warm welcome.

Comrade Nguyen Van Tu, member of the party Central Committee and president of the Confederation of Vietnamese Workers, reported to Comrade Pham Van Dong on the achievements scored by the confederation in 1989, especially the achievements by the various labor union echelons—grass-roots labor union organizations in particular—in making joint efforts with the management boards to launch a movement among manual and office workers to resolutely implement the new mechanism, to shift production operations to new orientations, to resolve the unemployment problem, and to improve the living conditions of manual and office workers.

In an effort to aid production installations in resolving difficult problems, the Confederation of Vietnamese Workers has kept the party and state informed of the suggestions made by manual and office workers. Many issues have already been considered and resolved by the Council of Ministers.

Confederation cadres contributed their viewpoints concerning the functions and roles of confederation organizations at all levels in socioeconomic and political activities in general and in the renovation undertaking in particular. They expressed the hope that the confederation's role and function would soon be institutionalized by legal documents.

Confederation cadres also provided Comrade Pham Van Dong with facts concerning the present socioeconomic situation and expressed the concerns of manual and office workers on social democratization and on the practice of party and state cadres to indulge in corruption and enjoy special favors and privileges, especially a number of economic management cadres. They also urged the party and state to create conditions for the confederation to exercise the right to oversee the operations of state organs, take measures against negative phenomena, and guarantee democracy and social justice.

In his cordial talk with confederation cadres, Comrade Pham Van Dong praised the contingent of manual and office workers as well as confederation organizations at all levels for their contributions to socioeconomic development. The comrade expressed his sympathy for the concerns of confederation cadres at all levels, and reminded them of the need to continue working with the administration to satisfactorily resolve issues related to production and life in providing jobs for the unemployed, in effectively coping with negativism and corruption, and in satisfactorily tackling socioeconomic issues. The comrade held that these measures are the key conditions for the confederation to fulfill its role and function in our party and people's renovation cause.

Comrade Pham Van Dong reminded confederation organizations at all levels of the need to continue consolidating and streamlining the contingent of specialists and also to take measures aimed at improving the quality and professionalism of confederation cadres. Confederation organizations at all levels should pay greater attention to the living conditions of manual and office workers, especially the contingent of white-collar workers. In this way, there will exist conditions for the confederation to maintain the confidence and support of manual and office workers and to fulfill its tasks in the new development stage of the revolution.

Foreign Minister Interviewed on Regional Policy

LD0502151890 Prague CTK in English 1400 GMT 5 Feb 90

[Text] Hanoi Feb 5 (CTK correspondent)—Vietnam does not intend to normalize its relations with China in exchange for its interference in the internal affairs of Cambodia and other countries and join the conservative course of the Chinese leadership criticizing the restructuring in the Soviet Union, Vietnamese Foreign Minister Nguyen Co Thach has told CTK.

The Vietnamese minister pointed out that Vietnam has fulfilled the condition given by Chinese strong man Deng Xiaoping for the normalization of bilateral relations when it had withdrawn all its troops from Cambodia. However, China has conditioned the normalization of relations by a solution to the Cambodian problem.

"Now they would like us to support the Chinese policy criticizing the restructuring in the Soviet Union. Reforms in China are its own problem and we also have our own policy", the Vietnamese minister said, adding that Vietnam will not give up the policy of reconstruction.

He rejected the opinion that the Cambodian problem cannot be solved without normalization of Vietnam-China relations.

The Vietnamese politician said he does not consider China's participation in the third informal meeting on Cambodia, which is to open in Jakarta on February 26, useful.

CPV Official Receives DPRK Minister 3 Feb

BK0302161790 Hanoi VNA in English 1513 GMT 3 Feb 90

[Text] Hanoi VNA February 3—Nguyen Thanh Binh, Politburo member and permanent secretary of the Central Committee of the Communist Party of Vietnam, received today Cha Pong-chu, vice-minister of foreign affairs of the Democratic People's Republic of Korea, now on a visit to Vietnam.

Nguyen Thanh Binh noted with pleasure the improvement of the relations between Vietnam and the DPRK. He said he wished that the visit of the DPRK deputy foreign minister would contribute to developing the friendship and cooperation between the two countries.

Earlier, on Feb. 2, the DPRK diplomat and his entourage were received by Le Van Di, member of the party Central Committee and president of the Vietnam-DPRK Friendship Association.

Korean Ambassador Yi Hong was on hand in the receptions.